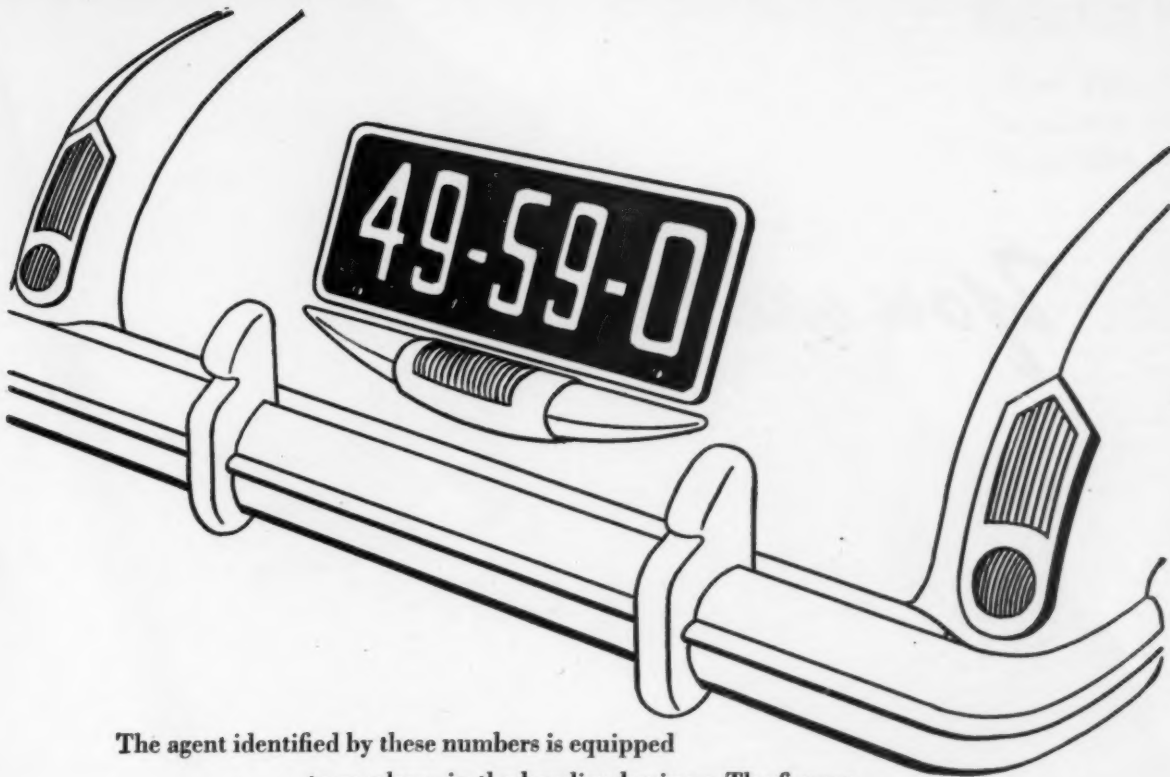


The NATIONAL UNDERWRITER



The agent identified by these numbers is equipped to go places in the bonding business. The figures symbolize the advantages he possesses as an F&D representative. Here's what they stand for:

- 49** —the number of F&D field offices spotted throughout the country, each staffed with *practical* men whose sole assignment is to help agents and brokers *build business*.
- 59** —the number of years during which F&D has specialized in fidelity and surety bonds: over half a century of constant growth to the point where, today, F&D handles a larger gross volume of fidelity and surety business than any other company in the entire industry.
- 0** —the number of obligations which F&D has failed to settle promptly and fully, good times or bad...

FIDELITY AND DEPOSIT COMPANY
Baltimore Maryland



FIDELITY AND SURETY BONDS
BURGLARY, AND OTHER NEEDED
FORMS OF INSURANCE

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

THURSDAY, AUGUST 18, 1949

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In every Insurance Company of North America Companies advertisement you are the "man in white" who stands between the insured and loss.



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NORTH AMERICA**
COMPANIES. *Philadelphia*

★ INSURANCE COMPANY OF NORTH AMERICA ★ INDEMNITY INSURANCE COMPANY OF NORTH AMERICA ★
★ PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY ★ THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA ★

McCarran-Celler Probe Seen Dead for This Session

**Aimed at Life Companies
But Could Have Brought
in Other Insurers**

The proposed McCarran-Celler joint congressional investigation of the life insurance business, which by its terms was broad enough to have got into the fire and casualty business, appears to have been killed by Senate rules committee action.

The committee rejected a motion by Senator Ives, New York Republican, to report favorably the McCarran resolution for investigation of the life insurance industry. The resolution is still pending before the rules committee and technically an attempt could be made to get favorable action on it later, but it is regarded as being dead, at least for this session.

This development does not entirely remove the possibility of investigation, however. The anti-trust inquiry of Congressman Celler is still going on and an inquiry into lobbying is proposed. Celler said he hadn't made up his mind what to do about his own resolution, identical with McCarran's, which has been pending for months before the House rules committee.

Might Get into Insurance

Asked whether his own House judiciary subcommittee investigation of anti-trust laws would go into the insurance industry, Celler replied that his group could not go as far as the joint resolution envisaged, but he added that his committee will tackle insurance, like other industries, so far as it relates to monopoly.

Rep. Celler mentioned that President Truman had directed government officials to cooperate with his anti-trust subcommittee in its work and added that some 20 departments and agencies are doing so through various task groups to which different subjects or phases of the problem have been assigned. These task groups will deal with various exemptions from the anti-trust laws, including that applying to insurance under public law 15. By the end of October, Celler hopes to have the reports of the various groups in hand and digested so that his subcommittee can begin a new series of anti-trust hearings in November.

Business in industry will be the subject of a separate hearing by one of these task groups, Celler said.

Discussing the proposed study of the operation of public law 15, Celler said that this will be carried on to the extent that it is tied up with monopoly. He referred to the Southeastern Underwriters Assn. case as indicating that monopolistic practices existed in the fire insurance industry.

Hegrenes Fargo Chief

Fire Underwriters Inspection Bureau of Minneapolis has appointed P. N. Hegrenes as branch manager at Fargo, N. D., to succeed the late Irving J. Peet.

Application has been made for a permit to incorporate **Southwestern Mutual Fire** of Los Angeles as a county fire mutual.

General Fire Rate Revision Filing Is Made in Penna.

HARRISBURG—Member companies of Middle Department Rating Bureau have filed a general revision request on fire insurance rates for ordinary territory in Pennsylvania with the insurance department.

Department officials declined to indicate a trend in the new rates, which were suggested after the state started an investigation into fire premiums, until they have time to study the proposed changes, except to say that some were increased and others decreased by the proposal.

The board of governors of Middle Department Assn. of Fire Underwriters the other day directed Carlyle H. Hill, executive manager, to review with the insurance department and to file with it the proposed new rates, subject to possible minor modifications.

75% of NYFIRO Favor Escott Plan

About 75% of the 250 companies that voted in the poll of New York Fire Insurance Rating Organization on the Escott plan for handling multiple location risks, voted in favor of that program, the governing committee of the organization let it be known.

The program now involves setting up conferences between New York Fire Insurance Rating Organization and Superintendent Dineen of New York, who is returning from a European trip.

One possibility is that the Escott plan will be filed with the New York department in behalf of those companies that are in favor of it. Some of the companies that are opposed to the Escott program, it is expected, will file their own plans and this will necessitate that they withdraw from the rating bureau for this class.

Mich. Leaders Honor Forbes at Aug. 17 Banquet

More than 250 insurance industry executives, agents, and others honored Commissioner Forbes of Michigan Aug. 17 at a testimonial banquet at the Book Cadillac Hotel, Detroit, on his recent election as president of National Assn. of Insurance Commissioners.

Mr. Forbes is the fifth Michigan commissioner to head the N.A.I.C.

Utah Regional Gathering

A regional meeting of Utah Assn. of Insurance Agents was held at the resort town of Fish Lake. The executive committee members were present. Besides the business sessions there was a dinner dance and excursion. President Francis B. Goeltz, of the Utah Association presided.

Ray E. Carr, executive committee member from Richfield, was chairman of arrangements. Due to the illness of Utah's state national director, Adrian W. Hatch of Logan, Ralph D. Callister, of Salt Lake City was designated as alternate to attend the N.A.I.A. meeting.

De Hart Rejoins Phoenix

Charles F. De Hart, who for the past several years has been assistant manager of the insurance department of the Chicago "Tribune," has resigned to become associated again with Phoenix of Hartford, with headquarters at San Francisco. Mr. De Hart was with Phoenix before the war as Illinois state agent and he served as a navy officer during the war.

N.A.I.A. to Debate Installment Plan Issue at Chicago

The issue of installment payments on term business will be a major item on the business agenda at the annual meeting of National Assn. of Insurance Agents at Chicago Sept. 19-22. Charles P. Butler, executive vice-president of N.A.I.A. has announced that the organization's executive committee has voted unanimously to present the question to the national board of state directors for action.

The executive committee, he said, has recognized that competition for business has produced several plans of installment payment that have a decided tendency to destroy the term rule and endanger agents' ownership of expirations.

Mr. Butler explained that the reason for and the basis of the application of the term rule has been substantiated over the years. Any alternative which violates the established precepts may open up an avenue of attack that could eventually destroy the entire practice. He pointed out that the increased cost to the agent involved in many of these plans has not been adequately recognized, nor has the serious effect of such plans upon all agents been given adequate consideration.

He added that the issue will be thoroughly explored at the annual meeting and debated with the hope that a unanimous expression of opinion will be forthcoming "to influence the vast majority of insurance companies not to forsake sound principles for the sole purpose of meeting a competitive situation."

Sauers Heads St. Petersburg Board, Now Rechristened

The name of the St. Petersburg local board has been changed to Greater St. Petersburg Assn. of Insurance Agents and Harry L. Sauers, Jr., was elected president. The former name was St. Petersburg Insurers Exchange. First vice-president is John M. Phillips and Mrs. Margaret Seekins was reelected secretary. Charles A. Brooks, deputy insurance commissioner, gave an explanation of the new Florida automobile financial responsibility law. Also present at the meeting was John Ferlita, referee of the auto responsibility law for the St. Petersburg area. While in the city Mr. Brooks gave a radio appearance over WSUN on the responsibility law.

Plan Mich. Fire Conference

LANSING—Elaborate plans are being made for the Governor's Fire Protection Conference, scheduled for Oct. 22 at Grand Rapids, Mich.

A Bruce Bielaski of National Board, executive director of the President's Fire Prevention Conference, is expected to speak. Michigan Assn. of Insurance Agents and field men's organizations are formulating the program. Glenn E. Thom, president of the Detroit Fire Fighters Assn. is general chairman, and Waldo O. Hildebrand, Lansing, secretary-manager of the Michigan agents, is executive director.

Promote C.P.C.U. Study

Toledo (O.) Society for the Advancement of C.P.C.U. has been formed to set up a study program to assist applicants in preparation for the C.P.C.U. examinations. Tentative plans call for one study session a week at Perrysburg, O., high school. The program has been set up as an extension course by Bowling Green University, regular college credits to be given for satisfactory completion of the course.

Tenn. Commissioner Asks Bond in Rate Reduction Fight

**Allen Files Answer in
Injunction Proceedings of
Inspection Bureau**

NASHVILLE—In answer to the recent action of the Tennessee Inspection Bureau and affiliates in securing an injunction against the enforcement of an order making the fire premium reduction order effective July 1 applicable to outstanding business, Commissioner Allen has filed a reply brief in Davidson county circuit court which contends that action of the companies "leaves the policyholder unprotected unless a proper bond is made or a trust fund established."

Presumably this would approximate the estimated \$2½ million reduction to which Mr. Allen claims those with outstanding policies are entitled. The reply also contends that the reduction order does comply with the state's 1945 rate regulatory measure. In informed quarters it is believed that the demand for the "protection fund" is a move to get the Tennessee Inspection Bureau and its affiliates to withdraw the injunction plea.

Political Implications

The political implications of the whole controversy became apparent the past week with the publication by the Nashville "Tennessean" of a series of articles by Nat Caldwell, crusading reporter, on the general theme that reduction of fire rates has been held up for at least five years by former Commissioner James M. McCormack, allegedly at the behest of E. H. Crump, Memphis, who would be, they say, protecting the profits of Southern American Ins. Co., Crump's own fire company. Silliman Evans, still a director and former president of Maryland Casualty, is owner of the "Tennessean" and a known enemy of Crump. The material has not appeared in any form in the Nashville "Banner."

Caldwell is claiming that profits of fire companies operating in Tennessee are 9% above the level fixed by National Assn. of Insurance Commissioners and that the \$23 million paid in fire premiums in the state in 1948 would have been cut nearly \$6 million by application of the 50% loss ratio across the board.

Mayor Cummins of Nashville has instructed City Attorney Yokely to "investigate immediately the fire rates charged on city buildings and seek the best possible revision in rates." He stated that he believes the city's rates should be reduced "at least one-third."

Mo. Salaries Increased

Governor Smith of Missouri has signed bills that provide salary increases for the superintendent of insurance and his chief assistants.

The compensation of Superintendent Jackson is increased from \$6,000 to \$7,000; the deputy superintendent is to be raised from \$4,500 to \$6,000, and the actuary from \$5,000 to \$6,000.

Under the new bills the term of the superintendent will be at the pleasure of the governor and concurrent with his term of office rather than a four-year appointment as at present.

S.E.U.A. Continues Pay Plan Study; Bank Enters Arena

NEW YORK—Southeastern Underwriters Assn. has worked out a tentative premium payment plan for term business, but before filing it or otherwise putting on it the seal of final approval, it is understood it will be thoroughly discussed with agents. In the meantime, it is said that Western Underwriters Assn. has a premium payment plan in the discussion stage. In Indiana, Iowa, Kentucky, W.U.A. states, premium payments plans for term business are prevalent.

As an indication that the banks and premium finance companies that handle insurance premium business are prepared to protect their stake in this field, Barnett National Bank of Jacksonville, Fla., on Aug. 12, under the signature of Alex. Mitchell, manager of the premium loan department, notified fire company executives, field men agents and others in Alabama, Florida, Georgia, North and South Carolina, that it is putting into effect a new finance plan for term payments of \$100 or over. The annual payment plan is effective immediately, and the rate is 2.67% simple interest. The letter states that this is at the same rate as under the installment and renewal plan now being used by insurers where the initial payment is the annual premium and subsequent payments on anniversary dates are 80% of the annual.

Suggest This as Answer

Some company men and agents wonder why this isn't the answer to the competitive situation created by the entry of companies into the field of term business on an annual basis. They observe that at least in this one instance,

the difference between the bank and some of the new plans that are in use is around \$7 per year, on a \$100 per year premium and for that difference, the agent eliminates collecting the premium once a year for three or five years, he gets his commission at once, and the company has no reserve problems.

One question that executives are considering seriously is whether carrying the balance of term premiums due on the annual payment plan as "accounts receivable" in assets is sound, if all companies are using some such plan. Just how good are such assets when insured does not have to sign anything and the premiums actually are exposed to annual loss through competition?

Illustration of Bank Plan

The Barnett Bank, which has been in the premium financing field for many years, gives an outline of its plan.

Under its premium contract it is not empowered to cancel a policy unless there has been a ten-day default, the bank states. Actually, as a rule, it cancels on the 11th day after the anniversary date of a policy. Because of this it is precluded from permitting the down payment to be exactly the equivalent to the annual premium as under company plans. This left two alternatives, either adhere to its present down payment requirements and permit annual installments to mature on anniversary dates of policies, or reduce the down payment to the annual premium and require that the first annual installment mature in 11 months after policy date. The bank adopted the former procedure

as agents, general agents, field men and mortgage people favored it.

On this basis the new bank plan is:

Term of Policy.....	3 Yrs. 5 Yrs.
Down Payment	43% 28%
Annual Installments.....	2 4
Rate of Interest.....	2.67% 2.67%
Interest Factor	4.0 6.67

(Applied to finance balance)

Comparison Made

Example and comparison:

	Barnett Plan	Company Plan
5-Year Premium	\$400.00	\$400.00
Down Payment.....	112.00	100.00

Balance	288.00	300.00
Interest	19.20	20.00

Amount of Contract.....	\$307.20	\$320.00
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4 Annual Installments @	\$ 76.80	\$ 80.00
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(Beginning one year after policy date)		
Total Cost	\$419.20	\$420.00

Or, the same premium, converted to a 3-year term, could be financed under the bank plan as follows:

3-Year Premium.....	\$250.00
Down Payment.....	107.50

Balance	142.50
Interest	5.70

Amount of Contract.....	\$148.20
2 Annual Installments @	\$ 74.10

Advantages Claimed

The bank plan claims the following advantages for its plan: Total cost to assured is slightly less. The agent is relieved of the burden and greatly increased cost of handling annual installments himself. He receives his full commission when the policy is written. The possibility of losing the business to a competitor on an anniversary date is minimized because of the slightly higher down payment. There is maintained the basic principle upon which

Jewelry Rate Cut Approved in All States Except Va.

The approximately 15% rate reduction filing of Inland Marine Insurance Bureau for personal jewelry insurance and personal jewelry cover when scheduled under the personal property floater has now been approved in all states except Virginia, to become effective Sept. 1.

Under the new rates the annual premium for the first \$5,000 insurance is \$1.60 as against the old rate of \$1.87. For the next \$5,000 cover, the premium is now to be \$1.10, from \$10,000 to \$50,000, 60 cents and from \$50,000 to \$100,000, 35 cents and for policies of \$100,000 or more the premium is to be 35 cents applied against the entire amount.

The rate reduction may, it is believed, cause something of a market stringency for borderline risks in metropolitan territories where the experience has been less favorable than the average. The reduction is based upon the national average and is applicable nationally, but there are spots that have had a doubtful record even at the old rates and here it is likely that the underwriters will watch their commitments closely.

discounts were originally allowed to purchasers of term policies—namely, that the premiums be paid in full in advance.

It is pointed out that under the S.E.U.A. proposal that has now been abandoned, the five annual installments were \$82.40 for a total of \$412 (the same total as under the North America plan), a difference of \$7.20 from the Barnett Bank charge.

REINSURANCE

FIRE and ALLIED LINES

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when sched-
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N. Y. Agents Voice Strong Opposition to Installment Plan

A statement expressing "vigorous" opposition to the plan for annual installment premium payment plan for term policies has been issued by the executive committee of New York State Assn. of Insurance Agents. Reference is made to the plans that were formulated by Southeastern Underwriters Assn., the New York group saying that these are perhaps being considered for use elsewhere.

The amended plan of S.E.U.A. is still objectionable, this being one under which the first premium would be equal to a full premium at the annual rate. This is not, in fact, a term plan, the New York agents state, but is in effect an annual payment plan with the present term discount improperly allowed. It is a discrimination against assured with risks not eligible for the term discount and is an unfairly discriminatory competitive device. This, the New York agents say, will have the effect of a general rate reduction together with a general reduction in commissions. It will increase the work and expense of companies and agents and will prove burdensome, impractical and unduly costly.

The New York agents state that the financing of business accounts, including insurance premiums, is the function of banks, finance companies, etc., and not of insurance companies. The agents call upon all companies to reject such a plan and urge the New York department to disapprove any such plan that might be filed.

Okl. Auto Rate Filing Elicits Opposition

OKLAHOMA CITY—Commissioner Dickey announces that a hearing will be held early in September on the automobile rate increase filings of National Bureau of Casualty Underwriters. The increases range up to 50% at some points for P. D and up to 16% for B. I. Also, the classification of drivers under age 25 would be introduced in Oklahoma. Under the filing the rate changes would become effective Sept. 12.

E. J. O'Conner, executive vice-president of Oklahoma Associated Industries, has registered opposition to the increase and has asked the state insurance board to ascertain if the new rates are in conformity with Oklahoma experience.

G.A.B. Has Southern Shifts

General Adjustment Bureau has appointed Francis M. Holmes as manager at Lake Charles, La., to succeed W. W. Harrington. Mr. Harrington is being transferred to Monroe, La., as manager, to succeed A. R. Marlow, who in turn is being transferred to Houston, Tex., as senior fire adjuster.

Mr. Holmes has been in the claims departments of Employers Liability and Travelers. He joined G.A.B. in 1936 at Fort Worth and was transferred to Lake Charles in 1941. After a period in the service, he was reassigned to Fort Worth in 1946.

Mr. Harrington was at Monroe as adjuster until being named manager at Lake Charles in 1948.

George W. Kline, general adjuster at Houston, is being transferred to San Antonio.

Announce U. of Tenn. School

KNOXVILLE — The University of Tennessee extension division, in cooperation with Tennessee Assn. of Insurance Agents, will hold its fire and casualty insurance seminar Sept. 12-14. The faculty for the school will include Dr. Clyde J. Crobaugh, university professor of finance; John F. Lee, superintendent Tennessee Audit Bureau, Nashville, and T. K. Robinson, Memphis, former president of the state association. The course is divided in sections suited to agency owners and salesmen and to policy writers and office personnel. Total cost, exclusive of meals, will be \$11 for each person.

mer president of the state association. The course is divided in sections suited to agency owners and salesmen and to policy writers and office personnel. Total cost, exclusive of meals, will be \$11 for each person.

Three New I.A.S.A. Members

Three more companies have become members of Insurance Accounting & Statistical Assn. They are Employers Liability, Firemen's of Washington and Georgetown, and Ventura County Mutual Fire.

Senator Harry Byrd to Address N.A.I.A. Meeting

Senator Harry F. Byrd of Virginia will address the morning session Sept. 22 of the annual convention of National Assn. of Insurance Agents at Chicago.

This will be the senator's second appearance before the N.A.I.A. He spoke at the annual meeting at Pittsburgh in 1943 on the need for economy and efficiency in government.

The senator has distinguished himself in Congress as a foe of govern-

mental waste and extravagance, the elimination of which is also a major objective of the N.A.I.A. "letters for freedom."

Gets Ill. Tech Scholarship

Mac Curless of Wichita has been awarded the 1949 Kansas scholarship in fire protection engineering at Illinois Institute of Technology. He was sponsored by Kansas Inspection Bureau and has been with its Wichita branch since graduation from high school.



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WORLD-WIDE FACILITIES FOR PRACTICALLY ALL FORMS OF INSURANCE EXCEPT LIFE

Inland Marine Record by Classes Given for 1948

The grand total of inland marine premiums written in 1948 was \$229,834,862 with paid losses of \$98,589,468 and a loss ratio of 42.9 according to the report on inland marine premiums and losses for the year compiled by Inland Marine Insurance Bureau.

In the exhibit which is reproduced in part in this edition, total premiums, losses and loss ratio is given for each class of business, and the proportion of the premiums that were written by members and subscribers of Inland Marine Insurance Bureau.

In the full report the results are subdivided for members of Inland Marine Insurance Bureau and subscribers, for other stock companies and for members of Transportation Insurance Rating Bureau, which is the mutual organization.

In the aggregate the written premiums of the I.M.I.B. members and subscribers were \$214,529,583, paid losses were \$91,966,574, loss ratio 42.87. Other stock companies had written premiums of \$7,986,091, losses \$3,794,568, ratio 47.51. Transportation Insurance Rating Bureau

premiums were \$7,319,188, losses \$2,829,226 and ratio 38.65.

There is also shown in the exhibit, a record of the personal property floater by states and territories within states.

In the aggregate, written premiums for the P.P.F. were \$31,011,863, earned premiums \$28,899,955, paid losses \$19,949,563, ratio of losses paid to premiums written 64.33, indicated ratio paid losses to earned premiums 69.03 and indicated ratio incurred losses to earned premiums 70.58.

Full Coverage and Deductibles

Of this amount, \$13,912,903 was for the full coverage form, the earned premiums being \$16,474,268, paid losses \$12,156,771, losses paid to premiums written 87.38, indicated ratio paid losses to earned premiums 73.79, indicated ratio

incurred losses to earned premiums 75.34.

For the deductible forms, the written premiums were \$17,098,960, earned premiums \$12,665,200, paid losses \$7,792,791, losses paid to premiums written 45.57, indicated ratio paid losses to earned premiums 61.53 and indicated ratio incurred losses to earned premiums 63.08.

All premium figures represent direct premiums written less return premiums, all reinsurance premiums being excluded. All loss figures represent direct losses paid less salvages.

There is a showing also of the combined results by classes for 1946, 1947 and 1948, the aggregate in written premiums being \$608,755,519, paid losses \$257,711,865 and the ratio 42.33.

The compilation is as follows:

Class	Written Premiums	Paid Losses	Ratio Losses Paid to Premiums Written	I.M.I.B. Percent of Premiums Written
Personal property floater				
Blanket—full coverage				
5,000 and under	5,079,571	5,845,144	115.07	85.52
5,001 to 10,000	4,232,237	3,126,751	73.88	88.50
10,001 to 20,000	2,297,676	1,536,555	66.87	89.30
20,001 and over	2,393,419	1,648,321	71.56	83.83
Total full coverage	13,912,903	12,156,771	87.38	88.42
Blanket—deductible				
5,000 and under	7,214,288	3,735,949	51.79	74.64
5,001 to 10,000	5,069,512	1,966,508	38.79	79.25
10,001 to 20,000	2,818,122	1,108,583	39.34	82.09
20,001 and over	1,397,038	981,751	70.35	87.35
Total deductible coverage	17,098,960	7,792,791	45.57	78.72
Misc. scheduled property	199,977	77,629	38.82	83.67
Personal jewelry				
Full coverage	31,156,432	11,890,582	38.16	91.42
\$50 deductible	754,752	257,387	34.10	91.67
Required details not furnished	511			
Personal furs				
Minimum premium policies	2,373,622	781,846	32.94	82.72
All others	11,072,120	3,412,121	30.82	93.51
Required details not furnished	14,417	3,360	23.31	9.07
Fine arts—private collections				
Protected areas	1,605,528	317,742	19.79	95.74
Unprotected areas	131,509	48,754	37.07	98.04
Cameras and sound equipment				
Private risks	1,470,229	543,872	36.99	90.78
Commercial X motion picture producers	345,011	142,320	41.25	90.23
Motion picture producers	111,000	94,845	85.45	96.51
Required details not furnished	12,402	(322)		100.00
Musical instruments				
Individual—non-professional	422,528	92,566	21.91	90.39
Individual—professional	367,715	144,435	39.28	93.15
Orchestras, bands, etc.	294,490	75,509	25.64	91.55
Stamp collections—private	148,344	30,230	20.38	91.30
Tourists baggage	581,554	254,467	43.76	99.51
Wedding presents	116,534	18,922	16.24	92.83
Personal effects	1,933,756	1,054,511	54.53	94.71
Furriers customers				
Custody rider	4,251,140	918,346	21.60	98.87
Legal liab. ends't retail	682,154	84,947	12.45	96.87
Legal liab. ends't wholesale	47,464	9,662	20.36	97.43
All other including certification	1,290,136	309,813	24.01	95.31
Required details not furnished	5,440	(179)		100.00
Parcel Post				
Coupon form	1,295,266	552,216	42.63	97.20
Open form	4,492,140	2,417,828	53.82	97.85
Garment contractors				
Women's wear, etc.	2,282,442	518,109	22.70	99.36
Men's-boys' wear	737,063	137,790	18.69	99.95
Other wearing apparel	1,591,337	370,575	23.29	99.70
Required details not furnished	137,899	13,521	9.81	100.00
Jewelers block				
Loose diamonds	518,180	146,205	28.22	99.55
Wholesalers, etc.	1,613,054	343,909	21.32	98.16
Retailers	3,284,821	925,182	28.17	97.46
Pawnbrokers	58,219	9,345	16.05	99.82
Horse and wagon	376,516	129,202	34.32	90.93
Radium	67,541	16,917	25.05	91.84
Theatrical floaters	144,053	39,270	27.26	99.38
Bridges and tunnels				
Property damage	710,919	131,724	18.53	97.97
Use and occupancy	142,522	1,469	1.03	94.14
Rolling stock railroad				
Yard switching locomotives	97,093	46,160	47.54	100.00

Class	Written Premiums	Paid Losses	Ratio Losses Paid to Premiums Written	I.M.I.B. Percent of Premiums Written
Passenger and freight locomotives not used with streamliners	1,849,829	479,661	25.93	100.00
Passenger locomotives used with streamliners	160,681	20,786	12.94	100.00
Passenger equipment excluding power units	434,910	145,418	33.44	100.00
Short haul locomotives	49,054	17,333	35.33	100.00
Tank cars	272,167	57,208	21.02	99.76
Miscellaneous	347,331	107,497	30.95	98.96
Registered mail	1,399,468	406,069	29.02	99.66
Films and negatives	684,450	33,481	4.89	99.55
Floor plan policies	68,736	23,930	34.81	99.32
Wool growers floater	26,475	12,484	47.15	99.36
Neon signs				
Full coverage	539,417	314,468	58.30	96.13
Deductible	581,365	278,300	47.87	91.60
Cotton				
Buyers transit form	1,597,081	405,149	25.37	99.99
Spark form	15,072			99.91
Motor truck cargo	24,955,179	10,165,181	40.73	95.12
Transportation (open and annual forms)	12,965,587	7,253,874	55.95	98.46
Transportation (all others)	3,378,737	1,366,731	40.45	94.69
Fine arts—dealers, museums, etc.	812,959	244,971	30.13	99.37
Ballees customers	8,545,008	3,446,617	40.33	90.14
Processing risks	3,068,574	1,041,179	33.92	99.35
Deferred payment merchandise	3,380,961	1,292,260	38.22	93.91
Contractors equipment floaters	11,192,140	4,771,061	42.63	95.66
Pattern floaters	582,953	138,454	23.75	99.43
Cold storage lockers (operator)	756,271	158,983	21.02	98.95
Accounts receivable policies	177,085	324	.18	99.93
Agricultural implements floater	1,169,980	320,552	27.40	99.60
Bicycle floater	21,490	8,647	40.24	99.15
Boats including canoes and sailboats and outboard motors	315,192	106,033	33.64	94.60
Boats and motors inboard private	472,702	277,005	58.60	99.56
Boats and motors inboard commercial	10,463	25,578	244.47	100.00
Department store floaters	151,993	106,229	69.89	99.73
Golfers equipment floater	51,681	37,756	73.05	97.28
Gun floaters	38,986	11,567	29.67	97.77
Installation floater	1,742,043	428,547	24.60	99.32
Live animals and pelts insurance other than livestock	112,091	38,103	33.99	99.89
Morticians equipment floaters	18,672	1,558	8.35	99.91
Morticians liability	12,290	3,679	29.93	100.00
Paraphernalia floater	90,385	66,800	73.91	100.00
Salesman's samples	828,363	371,283	44.82	98.84
Scientific instruments floater	64,271	15,278	23.77	94.88
Silverware floater	133,802	44,034	32.91	95.01
Surgical and dental instrument floater	118,536	35,932	30.31	95.31
Trailer contents—auto homes	5,368	866	16.15	100.00
Valuable papers insurance	86,366	5,680	6.54	100.00
Warehousemen's legal liability	722,421	292,782	40.53	100.00
Government service policies	123,481	64,733	52.42	99.77
Installment sales	64,552	34,617	53.63	100.00
Livestock	2,015,133	1,156,717	57.40	99.88
Leased property	11,133	9,346	83.95	96.70
Coin collections	107,191	74,079	69.11	99.68
Miscellaneous floaters	27,087,391	12,804,156	47.27	93.64
Canada and other countries	8,465,562	3,754,142	44.35	97.82
Total	229,834,862	98,589,468	42.90	93.34

(CONTINUED ON PAGE 20)

Globe and Rutgers

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Auto Material Damage Experience Continues to Mend

NEW YORK — The frequency and severity of automobile physical damage losses have declined in New York City and countrywide, according to automobile loss men here. The improvement started noticeably last October and has continued steadily since. It is particularly gratifying to see it happen in the greater New York area, where the loss picture has been unsatisfactory for several years.

One factor has been the increasing proportion of new cars, loss men believe, which provides the restraint of pride of ownership and probably has induced more careful driving. Another thing has been the safety campaigns, national and local, which automobile men believe are beginning to have a wide and beneficial effect.

The companies themselves have aided their own cause by declining to write comprehensive on the older cars, say 1946 or older, and hiking the deductible from \$25 to \$50 on cars 1946 to 1949 and to \$100 on those older than that. The elimination of the comprehensive on older cars has reduced the so-called vandalism losses — scratched paint, dented fenders, and the like. It has eliminated a lot of the small but expensive glass claims. The usual procedure is to write the fire and broad form theft in these cases so that if a window is broken by a thief, the glass loss is covered. Premium volume has been high, and this too has meant a better ratio on the loss side.

Theft losses have declined. These grew troublesome after the war, with the strong demand for motor vehicles and parts and the shortage. While recoveries always have been high, the cars that were stolen and altered enough to get them out of the country to Mexico or South America, were hard or impossible to recover. One interesting loss reported by a loss man was that of a medium priced car stolen in New York City and sold to a dealer there. The motor number and other identification had been changed. The dealer sold it to a sailor and his wife who drove it to the Pacific coast and then sold it. When the automobile was being worked on, the garage discovered that it was a stolen automobile. The insurance company sold it in California for enough to cover the theft claim it had paid two years previously and all of the costs involved.

Commissioner Brown Gives Tex. License Law a Workout

The Texas agent-licensing law is "not only out of date, but it never was up-to-date," Paul H. Brown, new Texas fire commissioner, said in an address before the Lubbock Insurance Exchange. Mr. Brown prefaced his extended and critical review of the licensing act by remarking that his opinions are those of a freshman insurance commissioner making his first public appearance.

The commissioner said that he hopes the Texas Assn. of Insurance Agents during the next two years will establish an active committee with full authority to study the present act and prepare amendments for the next legislative session.

It is doubtful whether many of the applicants for license will ever write business for the public generally, Mr. Brown observed. Their main desire is for controlled business. He charged that the great offenders in this particular are bankers, mortgage loan brokers and automobile dealers, adding "there must be a solution for the elimination of this cancerous growth upon the body agent." He said no one should be permitted to become an agent unless he makes at least 60% of his living from insurance through personal participation in the activities of the business.

The present examination for agents and solicitors should be tightened, he continued, and definite qualifications for recording agents and solicitors invoked.

Mr. Brown said that while he agrees with automatic cancellation of all licenses, their renewal by individual agency members could be accomplished more informally. Licenses could be issued for as long a time as five years. There is no rhyme or reason, he said, that the department should be clogged up every March renewing the licenses of Floyd West & Co. or Cravens, Dargan & Co. A man entering the business should be licensed only for his first year, and possibly renewed for a year, and after that the board should determine the renewal period.

The section on suspension and cancellation of licenses also came in for some criticism by Mr. Brown. He pointed out that when an agent admittedly owes his company and fails to make monthly remittances he is given ten days' notice of a hearing. In the meantime, there is a good chance the agent can sell a few big policies, get the remittances in and walk off with the big policy remittance. He suggested that the license be cancelled immediately and the matter set down for a hearing so that the agent must show cause why he should be reinstated.

Furnace Box Blast at Generating Plant Costs \$750,000

Loss is estimated at \$750,000 in the explosion at the electric generating plant at East Peoria, Ill., of Central Illinois Lighting Co. This was a furnace box explosion and the damage is extraordinarily large for an accident of this kind. Marsh & McLennan has the line.

The new "Riley" boiler had been in service for about three or four months. At the end of the boiler room was a temporary end wall to allow for further expansion and this, fortunately, permitted the force of the explosion to spend itself in that direction.

This particular boiler was off the line and was being preheated by oil torches to bring the steam pressure up to near the header pressure. When this had been established, the torches were put out by stopping the oil pump, but inadvertently the master valve on the oil line was not closed, neither were the individual valves to the burners.

Shortly thereafter it was decided to light off six burners on the adjoining boiler. Three of these had been in use.

The oil torches were inserted and the oil pumps started, but the valve condition on the "Riley" boiler had not been checked and with all the valves open, oil poured into the furnace, which was hot enough from the preheating to ignite the oil in the tightly bottled-up furnace and at the proper time explode the oil being fed in due to the fact that the individual valves on the burners had not been shut off.

Had the boiler been in the center of the bank of boilers, the loss could have been considerably greater, as adjoining boilers, as well as turbines, could have been subjected to the force of the explosion.

Tacoma Agencies to Move

The Fidelity building at Tacoma, which has for years housed a number of insurance firms, is to be wrecked. Agencies which have had to take new quarters are R. E. Anderson & Co., Bratrud agency, W. H. Opie & Co., and Alva Roberts & Co.

New Omaha Location

The central service office of Phoenix of London at Omaha is now located at 201 South 19th street. There was a buffet luncheon served at the opening for agents and members of their staff.

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Fete Oldest Travelers Agency at 85th Year

The Peck Barnard & Olmstead agency, of Bristol, Conn., on Aug. 10 celebrated its 85th year of representation of Travelers. This is the oldest Travelers agency. A delegation of home office officials feted the agency staff, and President Jesse W. Randall of Travelers remarked upon the long and excellent relationship that had existed between the organizations.

The agency is now conducted by Harry C. Olmstead, Gales



P. Moore and David M. Hutchinson. In the front row from the left are: Mr. Moore, Mr. Randall, Mr. Olmstead, J. Doyle DeWitt, assistant to Mr. Randall, and Mr. Hutchinson. In the second row are Vice-presidents Thomas J. Butler and Terry T. Carter of Travelers; John W. Walker, assistant casualty manager, and William T. Hickey, fire and marine manager at Hartford; H. A. McKay, superintendent of agencies for casualty lines, and Dwight N. Thompson, assistant casualty manager at Hartford. Horace G. Ford, cashier; Frank N. Crane, assistant casualty cashier and Waino T. Ray, assistant life manager at Hartford, are shown in the third row.

Bowling Alley Wins Subrogation Issue

A subrogation action for \$178,619, which was initiated by Home, ended unsuccessfully under a decision of the Ohio supreme court, the case being Soltz et al vs. Colony Recreation Center et al.

The assured, Margery B. Soltz, owned a modern building that was destroyed by fire that originated in bowling alleys in the basement Jan. 12, 1944. Home paid \$178,619 and the assured had a loss over and above that, so that the combined action was for \$198,518. At the time of the fire two employees of the bowling alley were alone in a room engaged in refinishing bowling pins with a flammable liquid.

The decision turned on the applicability of the doctrine of res ipsa loquitur.

Before applying this doctrine, the supreme court stated that the court must be warranted in taking judicial notice of the fact that the accident does not happen in the ordinary course of events unless there is negligence. Here plaintiffs have consistently maintained that the process used in finishing the pins was one which did not represent a threat of serious injury or death. While the process did involve use of flammable liquid, the bowling alley people argued that it has been generally used safely and without mishap in this kind of business for years. If so, it would follow that there was no threat of serious personal, or even property injury involved in its use. There are no other circumstances in the record to indicate that ordinary care on the part of the bowling alley in the use of this process would necessitate a high degree or great amount of care.

It is well known that fires are of uncertain origin and may result from many causes other than negligence. This is not a case where the circumstances are such that the could would be warranted in taking judicial notice of the fact that this fire would not have occurred in the ordinary course of events unless there was some negligence. The jury's verdict should have been for the bowling alley if they were not negligent. The issue of such negligence was properly submitted to the jury.

Gulf Employees Hold Picnic

About 200 home office employees of Gulf attended the annual picnic at Vickery Park near Dallas. President T. R.

Mansfield awarded gold pins to those who have had five years or more of service with the company. Ten-year awards went to five persons, 12 employees received 15-year awards, 20-year pins went to nine, and 25-year pins to three.

Permanent Disability Is Covered in New SS Bill

The new social security bill recommended by the House ways and means committee and introduced by Chairman Doughton, combines O.A.S.I. and public assistance features. While House leaders want action on it this session, strong opposition reportedly exists in the House rules committee, which could deny a green light.

Perhaps the newest feature of the bill is provision for total and permanent disability coverage. This is summarized by Doughton as follows:

1. Coverage.—All persons covered by the old-age and survivors insurance program would have available protection against the hazard of enforced retirement and loss of earnings caused by permanent and total disability.
2. Benefits. All permanently and totally disabled workers would have their benefits and average wage computed on the same basis as for old-age benefits, but no payments would be available for dependents of disabled workers.
3. Eligibility for Benefits. An individual would be insured for disability benefits if he had both (A) six quarters of coverage out of the 13 quarter period ending when his disability occurred, and (B) 20 quarters of coverage out of the 40-quarter period ending when his disability occurred.

Stroud in Ohio Field

Robert M. Stroud has been appointed southwestern Ohio special agent for Fire Association at Cincinnati succeeding Ralph N. Fey, who has resigned to become administrative secretary of Beta Theta Pi fraternity national headquarters at Oxford, O.

Mr. Stroud joined Fire Association at its home office in 1938. When he retired from military service he became special agent at Philadelphia territory, resigning later to join the Merrill, Lynch, Pierce, Fenner & Beane brokerage firm.

Ill. Brokers Outing

Insurance Brokers Assn. of Illinois is sponsoring a golf outing at Medinah Country Club, Chicago, Sept. 15. Hand-some prizes have been provided for and a large attendance is expected. Prizes will be awarded at the dinner.

July Fire Losses Show 3% Drop

Fire losses dropped to a new low in July, totalling \$49,592,000, 4.2% less than June and 2.7% under July, 1948, according to the National Board. This was the 7th month in which fire losses were lower than those reported for the same months a year ago.

Total losses for the first seven months reached \$398,399,000, \$39,036,000 or 8.9% less than for the same period last year.

For the 12 month period ended July 31, losses amounted to an estimated \$672,078,000, a decline of 5.5% from losses of \$711,437,000 for the 12 months ended July 31, 1948.

New Brief in R. I. Case

SAN FRANCISCO—Attorney General Howser, as counsel for Commissioner Downey of California, has filed his brief with the district court of appeals here in answer to Rhode Island's brief in the rehearing of its appeal from a superior court order granting Mr. Downey the conservation order. The brief goes into the majority opinion of the appellate court but is devoted mainly to an analysis of the dissenting opinion of Justice Ward.

James S. Kemper, head of the Kemper group, and Mrs. Kemper sailed from New York on the Nieuw Amsterdam for Europe.

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COMPANIES

Fireman's Fund Has Good Half Year Profit; Loss in '48

Fireman's Fund group reported an underwriting profit of \$2,453,000 for the first six months of 1949. This compares with an underwriting loss of \$663,000 for first half of 1948.

In the first six months of 1949 net investment income amounted to \$2,219,000 and shareholders' equity, at 35%, in increase in unearned premium reserves was set at \$2,997,000, showing a combined adjusted underwriting and investment income of \$7,669,000.

In the first six months of 1948 these figures were: Net investment income, \$1,945,000; shareholders equity in unearned premium reserve, \$2,715,000; or a combined adjusted income of \$3,997,000.

Premiums written the first six months

amounted to \$60,784,000, representing an 18% increase over 1948.

James F. Crafts, president, points out that this rate of increase is declining, and percentage gain for the full year is not expected to equal the first half.

Consolidated underwriting profit for the 12 months ended June 30 this year totaled \$5,642,000, net investment income, \$4,444,000 and shareholders' equity—at 35%—in increase in unearned premium reserve, \$5,676,000—a combined adjusted income of \$15,762,000. Consolidated results for the year ended June 30, 1948, showed an underwriting loss of \$424,000.

A summarized consolidated balance sheet as of June 30, 1949, disclosed total admitted assets of \$219,132,000, reserve for unearned premiums of \$82,305,000, and reserve for losses and loss expense of \$56,893,000. The latter two items were more than offset by cash and bonds.

Hanover Fire Midyear Statement Shows Strength

Hanover Fire has issued a midyear statement showing assets of \$36,344,833 which is approximately the same as at the year end. At market value the assets would be \$36,320,994. Premium reserve is \$16,872,741, an increase of better than \$400,000, capital is \$4 million, voluntary reserve \$500,000 and net surplus \$6,486,501. The policyholders' surplus is thus \$10,986,501. At market value this figure would be \$11,062,662.

Paramount Fire to Hike Capital to \$1 Million

NEW YORK—Preferred and common stockholders of Paramount Fire at a meeting here unanimously voted to increase capital from \$300,000 to \$1,000,000 and to reduce par value of common stock from \$100 to \$10 per share.

One share of the \$100 par value stock will be exchanged for 10 shares of the new common. It was voted to eliminate preferred stock and to exchange 10 shares of preferred for one share of \$10 par common. Directors were authorized to declare a two-thirds stock dividend on the \$30,000 capital now outstanding. The shares for the remaining \$500,000 are to be offered to the stockholders on a pro rata basis at a time and price to be determined hereafter by the directors.

Ingersoll Named to Board

C. Jared Ingersoll, chairman of Midland Valley Railroad, chairman of Kansas, Oklahoma & Gulf railroad and Oklahoma City-Ada-Atoka Railway Co., president of Muskogee Co., Sebastian County Coal & Mining Co. and Garland Coal & Mining Co., has been elected a director of North America, filling the vacancy caused by Philip C. Staples. One of his direct forbears was Jared Ingersoll, the first attorney general of Pennsylvania. He married a daughter of Col. Charles Pettit, who was president of North America from 1796 to 1798.

California Union of San Francisco, recently revived under the underwriting management of Edward Brown & Sons, has been licensed in Washington.

Trinity Universal and Industrial of Iowa have been licensed in Minnesota.

Travelers Joins U.S.A.

Travelers Fire has become an active member and the affiliated Charter Oak Fire, an associate member of Underwriters Service Assn. of Chicago. There are now 20 active members in U.S.A.

J. J. O'Brien, formerly a partner in the Chastek, Wheelock & O'Brien agency of Seattle, has joined First National Bank of Everett as manager of the insurance department. His old agency was sold recently to Frank Masnaghetti.

Canadian Trucking Risks May Go to Transport Company

TORONTO—There is definite talk now of Canadian Automobile Transport Assn. going into the transport insurance field.

In reply to a brief, Canadian Underwriters Assn. has indicated that it cannot consider a request for better rate schedules asked by the C.A.T.A.

Independent Automobile & Casualty Insurance Conference also declined the request, after C.A.T.A. sought a more favorable attitude on underwriting highway carriers. It is claimed that insurers are reluctant to accept this business. C.A.T.A. admits that its loss ratio runs about 70%.

C.A.T.A. officials say that it will not be necessary to form a new insurance company. Already in existence is Transport Insurance Co., chartered in Ontario and formed by a transport company which has a large fleet of trucks. Thus far, the company has been used solely for insuring its own trucks.

It is now considered likely that Transport Co. will be approached by C.A.T.A. on willingness to underwrite any transport risks which C.A.T.A. will recommend, or whether Transport would branch out into a provincial or Canada-wide company.

Further discussions are likely, but so far C.A.T.A. has received no encouraging news from insurance groups.

Fifty Years with F.I.A.

Clarence H. Taylor, underwriting supervisor at the head office of Factory Association, on Aug. 15 celebrated his 50th year with the organization.

Mr. Taylor joined F.I.A. when he was 18 years old as an office boy in the mailroom. The organization at that time

consisted of 17 office employees and seven field men.

Mr. Taylor worked for a number of years in the loss department, the accounts department and handled state tax returns. However, most of his time has been devoted to underwriting. During the past 50 years he has served under every F.I.A. manager except one. He was the first president of the F.I.A. Pioneers' Club composed of employees who have been with the organization for 25 years or more.

A tribute was paid to Mr. Taylor by his friends and the F.I.A. management, and his fellow workers.

Protective Service Employees Strike in New York

Holmes Electric Protective Service employees were on strike this week and New York City policemen were alerted to guard business establishments, including banks, jewelry houses, stores and factories against possible burglaries and thefts. The International Brotherhood of Electrical Workers, AFL, represents 650 guards, patrolmen, installers, repairmen and shopworkers who walked out.

Fight Fertilizer Cargo Fire

GALVESTON — Firemen from 12 Galveston fire stations and the city's fire boat fought a fire in the "Palmetto State" for 24 hours when a shipment of ammonium sulphate fertilizer became ignited, forcing the ship to come into the harbor. This fertilizer is non-explosive, unlike the ammonium nitrate which caused the explosion at Texas City in April, 1947. Officials could not estimate the extent of damage until the crew had removed all the cargo.

Lloyd E. Peterson has become associated with the Frank Wheeler Co. of Omaha. He just graduated from Nebraska University and has had some insurance company training.

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NEWS OF FIELD MEN

Gates, Woerner to Field Posts for American

Robert E. Gates has been named special agent in western Missouri for American with headquarters at Kansas City.

After leaving Omaha University, Mr. Gates served for 3½ years in the army air force and subsequently was with Nebraska Inspection Bureau.

Bryce W. Woerner has been named special agent, assisting Harold W. Williams, state agent, at Decatur, Ill.

Mr. Woerner, after four years in the air force, graduated from the University of Minnesota in 1947 and joined American in the fire underwriting department at Rockford. He graduated from the advance educational class at the home office early this year.

Ohio Blue Goose Plans Fall Meeting Sept. 12-13

CINCINNATI—The fall meeting of Ohio Blue Goose will be Sept. 12-13 at the Netherland Plaza hotel. A business meeting and initiation are scheduled for the evening of the 12th, followed by field club meetings the morning of Sept. 13 and an outing at Summit Hills Country Club, Fort Mitchell, Ky., that afternoon. Hotel reservations should be made direct with the hotel. E. J. Sherman, Fireman's Fund, Cincinnati, is ticket chairman.

Lyman Named in Indiana

North British has appointed Thomas E. Lyman as inspector for Indiana with headquarters at Indianapolis.

Mr. Lyman is a graduate of Ohio

State University and has completed an intensive training course at the home office.

Royal Exchange Appoints I. W. Wetzel in Western Pa.

Royal Exchange group has appointed Irvin W. Wetzel special agent for western Pennsylvania for the fire companies with headquarters in the People's Bank building, Pittsburgh.

Mr. Wetzel has been with Royal Exchange since 1926, except for his period in war service as an army officer, and in recent years has been active in the brokerage department and as special agent in Connecticut.

Iowa "Surprise Dinner" Will Be Held Sept. 22

Iowa Blue Goose will hold its first fall meeting at Des Moines Sept. 12. The pond will hold its annual surprise

dinner at the Veterans Club at Clear Lake, Ia., Sept. 22.

The annual surprise dinner was inaugurated last year, with the organization selecting an Iowa field man to be honored for outstanding work during the year. The selection is kept secret until the banquet.

The Iowa pond will have to elect one new officer, as Erwin L. Wieck, supervisor, who is manager of the underwriting department of Security Fire, is being transferred to Wisconsin with headquarters at Milwaukee.

Leave Field for Agencies

David W. Gillispie has resigned as special agent of General of Seattle at Medford, Ore. He has acquired an interest in the Harold Johnson agency at Grants Pass. Robert E. Pugh, formerly an underwriter for General at Portland, takes over Mr. Gillispie's former territory.

Paul Michaelson, former field man for General at Eugene, also has entered the agency ranks, having purchased an interest in the Springfield Insurance Agency, Springfield, Ore.

Service Office at Spokane

A service office of Security has been opened at Spokane, Wash., with Grady A. Stine in charge as special agent. He was formerly with London & Lancashire.

Ohio Meetings Scheduled

Ohio Fire Underwriters Assn. has set its meetings for the season as follows: Sept. 13, Cincinnati; Oct. 11, Columbus; Nov. 8, Columbus; Dec. 6, Columbus; Feb. 7, Columbus; March 7, Cleveland; April 4, Columbus; May 9, Columbus.

Harris Leaves Secured

William Harris has resigned as special agent in Indiana for Secured Fire & Marine, effective Sept. 1, to enter the Grossman agency, Knightstown, Ind. He has been appointed to the agency advisory council of the Secured group.

Gaillard to G. & R.

George S. Gaillard, Jr. has been appointed special agent for Globe & Rutgers with headquarters at Savannah, Ga. He has been with General Adjustment Bureau there. He is a navy veteran and graduate of Oglethorpe university.

St. Louis Blue Goose will hold its first fall meeting Sept. 12. Reports on the grand nest meeting will be given.

CHICAGO

LEE TO HALL AGENCY AS MANAGER

Walter F. Lee, assistant manager of the Cook County department of Yorkshire, has resigned to become manager of the Thomas J. Hall agency in the Insurance Exchange building, effective Sept. 1. Mr. Lee started in the insurance business in 1917 in the western department of North America. In 1922, he went to the Chicago office of Crum & Forster and, after 4 years, became associated with W. W. Vincent & Co., Chicago general agency. He has been with the Yorkshire for the past 16 years.

C. W. OLSON & CO. MOVES

C. W. Olson & Co. has moved to a new suite of offices, room 1059, in the Insurance Exchange building, Chicago.

Within a single large office are two paneled, completely enclosed offices for the executives. Sliding picture windows are built into the panels, which face the main office and provide privacy for the occupants, if desired.

C. W. Olson, Sr., is president of National Assn. of Surety Bond Producers. His father organized the agency at Chattanooga in 1893 and transferred to Chicago in 1917. The present C. W. Olson served as head of the bond department of Rollins Busdick Hunter Co. from 1913-1921, then joined his

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father and upon the latter's death in 1930 assumed charge. He was joined by his brother, Robert Olson, two years later, and the first of the year by his son, C. W. Olson, III. The latter graduated at University of New Mexico in February of 1948 and for nearly a year got a life insurance education with Connecticut Mutual Life.

C. W. Olson & Co. heretofore has occupied quarters with Standard Accident and is closely identified with that company.

SMITH, SCHICK JOIN R.B.H.

Richard H. Smith has joined the Chicago staff of Rollins Burdick Hunter Co. in the audit and survey department.

Mr. Smith is a graduate of Massachusetts Institute of Technology. Until recently, he was assistant insurance manager for a steel fabricating concern.

John W. Schick has joined Rollins Burdick Hunter Co. at Chicago, and will

assist in ocean marine loss and marine underwriting departments.

Mr. Schick studied at Illinois Institute of Technology while in naval service, and for the past 2½ years has been with the marine department of Automobile.

MARINE

New Cancellation Clause for Inland Marine

A revised cancellation clause for inland marine lines becomes effective on a mandatory basis March 1, 1950, and prior to that it is optional with the companies. The present cancellation is by delivery or mailing to the assured at the last known address of a specified number of days' written notice.

The new clause provides that cancellation shall be by delivery or mailing to the assured of a written notice stating when, not less than a specified number of days thereafter, cancellation is effective. It is the intent that the number of days specified in the new clause shall be the same number as is provided for in the present rules on each class, but it is up to the insurer to designate the date when the specified number of days begins to run.

Griswold to American

American has appointed R. M. Griswold as marine special agent in the New England department at Boston.

Mr. Griswold was educated at Colgate University and Babson Institute. He began his insurance career with Aetna in 1938, as an automobile special agent in the home office territory and later was marine special agent in North Carolina. He served with infantry during the war.

Selz Seattle Golf Winner

Joseph C. Selz, northwest marine manager for Home, won the handicap golf tournament of Board of Marine Underwriters of Seattle. He tied with H. P. Sargent of C. P. Sargent & Co. with a net 65 and won the tournament by shooting a par on an extra hole playoff.

More than 75 marine men and guests attended an informal banquet, with Gordon F. Rennie, St. Paul Fire & Marine, who is president of the Seattle Board, presiding.

China War Rates Up

War risk rates on cargo to China seaports were increased from ¼% to 1½% effective Aug. 15 by American Cargo War Risk Reinsurance Exchange.

Utah Surplus Line Men Gather for Anniversary

SALT LAKE CITY—Surplus Line Assn. of Utah marked its first anniversary with a cocktail party and dinner here. Frank Salisbury, of Kolob Corp., chairman of the association, presided. Commissioner Terry and Deputy Commissioner H. J. Timmerman, were among the guests.

Merrill K. Davis, the manager, reported that more than \$300,000 premiums on surplus line business was written, exclusive of rejections, cancellations and return premiums.

Mr. Terry lauded the association for undertaking the task of policing its members and for having made such a good start on excess and surplus line risks.

Kansas City Expose Story

The St. Louis "Post Dispatch" in its Aug. 14 edition carried a lengthy story from Kansas City about the activities of Standard Insurance Agency of Kansas City. It is charged that Charles Binaggio, who is characterized as a "representative of the Capone mob" at Kansas City, is a silent backer of the

agency, sponsored by "his political ally" George R. Clark, treasurer of Jackson county. The article goes on to say that Morris Klein, "professional gambler and Binaggio lieutenant" is a "pressure salesman" for the agency. The story declared that Klein told insurance prospects it would be politically advantageous to patronize Standard Insurance Agency, whose office is at 1005 Grand avenue.

It states that the agency is operated by Hermann Paul Rosenberg, Jr., 26 years old who has had no previous insurance experience, and who obtained a broker's license last June 3. It observes that as county assessor, Clark has practical power of lowering or increasing assessments.

Conner Evansville Chief

James F. Conner, president of the Allied Agency, is the new president of Evansville Assn. of Insurance Agents. H. Mel Lukens is vice-president; William C. Myers, secretary, and Marvin Rust, treasurer.

Mr. Conner has been in the insurance business since 1920. He was formerly manager of the Greene & Greene agency at Evansville and then Chicago manager of Aero Insurance Underwriters, returning to Evansville in 1945 to organize his own agency. He is director of Indiana Assn. of Insurance Agents.

G.A.B. Cal. Changes

Robert W. Ripley, manager for General Adjustment Bureau at Salinas, Cal., has been named manager at Reno, Nev., to succeed the late Donald W. Warner. Mr. Ripley has been with G.A.B. for eight years, starting at Los Angeles and transferring later to San Francisco and Vallejo.

Stanley H. Clark of the San Jose office will succeed Mr. Ripley as manager at Salinas. Mr. Clark has been with G.A.B. for three years.

Keep Key West Status Quo

By a vote of 3 to 2, the municipal utility board at Key West, Fla., voted against dividing the insurance on the city electric system evenly among three local agencies. At the same time the insurance was renewed with Key West Ins. Co., which is the agency that has had the entire line.

Before the vote was taken, William A. Freeman of the Porter-Allen agency, urged that his agency be given a share of the business. State Representative Bernie C. Papy of the Key West agency

declared that his firm had given "fair and faithful" service over the years. Also before the vote was taken, Joseph L. Crusoe, local agent, said he was not in a position at this time to accept a share of the line.

Cosgrove A. C. Speaker

John N. Cosgrove, director of public relations and education of America, was the guest speaker at the annual dinner meeting of Atlantic County Assn. of Insurance Agents at Atlantic City. He spoke on "A New Approach to Insurance Education" and illustrated his talk with cartoon slides.

New Boston Safety Director

Herman Behr has retired as district safety director at Boston for Lumbermens Mutual Casualty and American Motorists. He has served in that capacity since 1928. He was a safety engineer with Federal Mutual Liability from 1926 to 1928, when that company became a part of the Kemper group.

He is succeeded by A. J. Austin, safety engineer with Kemper since 1932 at New York, Chicago, Newark and Boston.

The Ellanasser agency of Mishawaka, Ind., has moved its office from 118 North Spring street to 761 Lincoln Way East, South Bend.

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Aug. 15, 1949

	Div.	Bid	Asked
Aetna Casualty	3.00	83½	85½
Aetna Fire	2.00	56	57½
Aetna Life	2.50	59	61
American Alliance	1.10	23	24
American Auto	1.60	45½	Bid
American Casualty .....	.80	12½	13½
American (N. J.) .....	.90	19	20
American Surety	2.50	59	61
Boston	2.40	65	67
Camden Fire	1.00	20½	21½
Continental Casualty	2.00	54½	55½
Fire Association	2.50	62½	64
Fireman's Fund	2.60	82	84
Firemen's (N. J.) .....	.50	17½	18½
Glens Falls	2.00	49	51
Globe & Republic .....	.50	10	11
Great Amer. Fire	1.30	33½	34½
Hanover Fire	1.40	33	34½
Hartford Fire	2.50	131	133
Home (N. Y.)	1.40	30	31
Ins. Co. of North Am.	3.50	108	110
Maryland Casualty .....	.50	15	16
Mass. Bonding	1.60	27	28½
Merchants Fire, N. Y.	1.15	28	29
National Casualty	1.45	27	28
National Fire	2.00	54	55½
New Amsterdam Cas.	1.20	34½	36½
New Hampshire	2.00	43	44½
North River	1.20	25	26½
Ohio Casualty	1.20	51	Bid
Phoenix, Conn.	2.00	86	88
Preferred Accident .....	.50	3½	4
Prov. Wash.	1.40	34	35½
St. Paul F. & M.	2.25	88	90
Security, Conn.	1.40	34½	35½
Springfield F. & M.	1.90	45	47
Standard Accident	1.45	34½	35½
Travelers	22.00	724	734
U. S. F. & G.	2.00	54½	56
U. S. Fire	2.00	60	62

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EDITORIAL COMMENT

Department News of Increases

It is not unique for an insurance department, but it is unusual even for New York to put out a news release on a rate increase. The New York department issued a forthright and clear statement on increases in automobile casualty rates for young drivers and the reasons therefor. The story hit the front page of the New York "Times" and presumably made a great many of the other newspapers throughout New York state.

Needless to say, since the department authorized the rate increases and therefore, presumably, had passed judgment on the necessity for them, it had as much of a stake in seeing that the public was clearly and promptly informed of such changes as did the business. Under rate regulation, the authority of all departments expanded, and it would be, as it certainly was in this case, gratifying to see a department assuming the responsibilities that go with that authority.

No one expects the insurance departments over the country to undertake the special job of issuing news releases whenever there is a rate change that affects the insurance market. Most departments do not have the personnel or facilities to undertake such a job. Also, it is a matter of long tradition that the companies, through their rate-making

bureaus, do that work. In addition, New York does differ from other departments in some respects. It possesses the personnel and facilities to make such a news issue successfully; in this instance it was interested in getting a free market for auto casualty coverages on young drivers, and was therefore more than ordinarily concerned with seeing that the rate level was correct; and it is freer of political pressure than some of the other state departments.

Nevertheless, under rate regulation, departments have more responsibility for the business which they are now so closely governing, and some of the explanation and reasoning, therefore, should be borne by them. On occasion, departments have issued news releases, but most of these have dealt with rate decreases for which the departments wished to take credit. With rate increases, they have wanted no part of the responsibility; let them "happen from the sky."

But it is surprising how much more effective in selling the public on the need for a rate increase it is when the department itself makes the news. The New York department's issue of the story on youthful driver rate increases is a fine illustration of what we are talking about.

The Insurance "Industry"

The practice and habit of referring to insurance as "the industry" which has now become so common, seems to be a post-S.E.U.A. development. We can't recall that prior to that momentous decision, insurance was labeled in that way. The word "industry" is used most frequently to distinguish those engaged in the business from the supervisory officials in connection with undertakings in which state officials and insurance people are jointly engaged in seeking the light or even where they are pitted against each other. The new regulatory era has compounded the number of such undertakings and the "industry" label is heard over and over again, and those in the business are getting more and more in the habit of referring to themselves as being engaged in the insurance "industry."

The fact that this is something of a new habit or practice was borne upon us the other day when among a group of non-insurance people we chanced to make some remark about the insurance "industry." We were startled by the reaction of one member of the group

who, in almost a belligerent way expostulated: "Since when did insurance become an industry?"

That prompted us to engage in some reflection and to wonder whether insurance people were not allowing themselves to fall into some kind of a trap by thinking of their activity as constituting an "industry." The Supreme Court said that insurance constitutes commerce and perhaps that edict has had the subtle effect of causing the insurance practitioner to put himself in the same boat with steel, sugar, automobiles, etc., instead of as in the past, to regard himself as engaged in an activity which occupied a very special kind of niche in the economy and that was not in hardly any way analogous to what is commonly regarded as "industry." The trap is the acceptance of the assumption that insurance is comparable to other forms of enterprise and that the rules, regulations and conditions traditionally applicable to "industry" should become applicable to insurance. We, thus, find ourselves in all these arguments about whether

some decision regarding a salt manufacturer should be applicable to "insurance." This kind of thing seems to us to constitute something of a softening up process. There is need to point out the very great differences between insurance and "industry" as the latter term is generally understood.

Insurance by its nature is a cooperative undertaking and through cooperation, enormous strides have been made in promoting the welfare of the public and in providing forms of protection that could never have been provided if the underwriters had been compelled to operate in cubicles and without communication and exchange of information and statistics among each other. If the full "industry" treatment were

given to insurance, the latter would become paralyzed. Even the most independent of the independents don't want that. Already, insurance has been saddled with many unnatural restrictions and conditions since the S.E.U.A. decision and it is time that we begin to think about the differences between insurance and "industry" rather than to seek out similarities. Analogies can be very dangerous in this connection. Somewhere along the line we have got to insist that insurance essentially stands alone with its own necessities and obligations, and that it can't be tortured into something that it is not. As a beginning in this direction, we suggest a movement to discontinue referring to insurance as "the industry."

PERSONAL SIDE OF THE BUSINESS

John C. Harding of Chicago, executive vice-president in charge of the western department of Springfield F. & M., is at Portland, Ore., during August visiting his older daughter Margaret who conducts a personnel business there.

Harry Tharp, former owner of Tharp Adjusting Co. at Wichita, is recovering from a recent illness at his home. He is past president of Wichita Claim Men's Assn.

Curtis B. Tarter, special agent of Home at Louisville, who is most loyal gander of the Kentucky Blue Goose, has been spending the week with his father-in-law, George C. Cundiff, secretary of the farm department of Home at Chicago, en route to the grand nest meeting at Seattle. Tom G. Wilds, Kentucky state agent of Hartford, will join Mr. Tarter at Chicago Saturday for the trip to Seattle.

S. M. Buck, western manager of Great American, is at Henrotin hospital, Chicago, for a few days recovering from the effects of the eye disturbance known commonly as snow-blindness, that resulted from exposure during his annual fishing sojourn in the north country. The condition is not serious by any means, but Mr. Buck decided to take a rest cure at the hospital and at the same time to undergo a routine physical checkup. He expects to leave the hospital in a few days.

DEATHS

Dewey S. Bauer, 51, manager of Coal Operators Casualty at Indianapolis for five years, died there.

Frank G. Henry, 79, former Ohio state fire marshal, died at Columbus.

Jacob Zimmer, 91, a pioneer in hail insurance in Nebraska, died at Lincoln. He was one of the organizers of the former United Mutual Hail. His brother, John F. Zimmer, Sr., is president of Capital Fire of Lincoln. He retired in 1939.

Rollin W. Dunabaugh, veteran local agent at Clyde, Kan., died at an advanced age following a prolonged period of ill health. Mr. Dunabaugh had

turned the agency over to his associate, Earl L. Forier, earlier in the year but continued in an advisory capacity.

Alvie W. Malone, Sr., 71, for the past quarter century an adjuster for the General Adjustment Bureau at Atlanta, is dead. A native of Mobile, Mr. Malone spent practically all his life in Atlanta.

Joseph H. Taylor, 42, special agent in Dallas of National of Hartford, died from a heart attack while on a fishing trip to Lake Texoma.

Ernest H. McGinity, 58, state manager of Metropolitan Casualty, died at Atlanta, after an extended illness. Born in Athens, Ga., he had been in insurance for 40 years.

E. J. Delaney, founder of Delaney & Co. agency, Oklahoma City, died there. The agency now is operated by his son, John Delaney.

John R. Klein of Harvey, Ill., special agent in the southern part of Cook county for Home, died Tuesday morning at St. Luke's Hospital, Chicago. He had been ill about a month. He had been with Home in the Cook county field since 1937 and before that was a broker and real estate man.

Mrs. Dorothy Richards, wife of Philip Richards, head of Richards & Co. of San Francisco, and a former president of American Assn. of Managing General Agents, died.

Philip J. Wickser, board chairman of the Buffalo, 62, died in the Nantucket, Mass., hospital.

Mrs. Margaret T. Gould, wife of William C. Gould, chief of the mutual and fraternal bureau of the New York insurance department, died at Rye, N.Y. Mrs. Gould had made several trips with Mr. Gould to the meetings of National Assn. of Insurance Commissioners and was well-known in the business.

Joseph Stich, Sr., 81, president of Western Union Mutual Fire, Crete, Neb., for 24 years, died here.

Mrs. Albin Nyblon died as the result of injuries suffered in an automobile accident near St. Cloud, Minn. She was the wife of A. W. Nyblon, special agent of Phoenix of Hartford in Washington and British Columbia. Mrs. Nyblon was en route to Midland, Mich., with her sister, Miss Teresa O'Donnell, a teacher at Butte, Mont., when the accident occurred. Miss O'Donnell was also injured.

Verne Branigan, Mount Vernon, Wash., local agent, died after a long illness.

THE NATIONAL UNDERWRITER

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Westfall Manufacturers' Bond Manager at Chicago

Robert E. Westfall, formerly bond underwriter with Aetna Casualty & Surety, Chicago, is the new bond department manager of Manufacturers' Casualty at Chicago.

Mr. Westfall was a lieutenant in the Navy for three years. He graduated from University of Minnesota in 1943.

Big Aga Khan Reward

Tyler & Co., insurance agents for the Aga Khan have offered a reward of \$54,800 for clues leading to the arrest and conviction of the bandits who robbed the Aga Kahn and his wife of jewels valued at more than \$500,000 on the Riviera, Aug. 3. According to a dispatch from Cannes, France, there are rumors that the robbers are ready to return the jewels for \$60,000 with "no questions asked."

Philadelphia Changes

Frank C. Ansel, Jr., formerly in charge of the Harrisburg service office, has been named production manager at Philadelphia for Standard Accident.

William V. Fox, Jr., has been made

manager of the fire and marine department there.

Lawrence E. Evans, formerly with American Mutual Liability, has been named field representative for eastern Pennsylvania.

Glade R. Tanner has been made field representative at Harrisburg. He was an underwriter at Philadelphia.

Robert H. Ward has been named underwriter at Philadelphia replacing Mr. Tanner.

Eliminate "First Bite" in Ill.

Governor Stevenson of Illinois has signed a bill making owners of dogs liable when the dog bites a person who has a legal right on the premises. This does away with the "one-bite" common law practice that allowed the owner to be on notice that his dog had unsocial tendencies. From now on, the owner will be liable the first time if his dog bites a postman, milkman, meter reader or garbage collector.

The new Illinois law is similar to that now in effect in several other states.

The measure furnishes agents with new ammunition for selling the comprehensive personal. The fact that the assured will be liable immediately the dog takes a nip at the mailman, regardless of the animal's past friendly disposition, makes a good talking point.

Group Cover for Macy's

Macy's, New York department store, and the union representing its employees have agreed to a plan which provides hospitalization, surgical and in-hospital medical expense insurance for the store's 7,000 employees and their dependents. Associated Hospital Service and Group Health Insurance are the carriers.

Non-union employees are eligible to join the plan on a contributory basis. Macy's also has a sick leave plan which gives employees two-thirds of their base pay up to a maximum of \$40 a week for 26 weeks after a six-day waiting period.

Mutual Loss Meeting

Arrangements have been completed to hold the annual Mutual Loss Managers' Conference at the Sheraton Hotel, St. Louis, Oct. 19-21. The first day will be a closed session for the mutual loss managers. The joint sessions of managers and adjusters will be held the next two days.

F. D. Hawkins of United Mutual Fire is chairman of the committee in charge.

General Agents Plans

The executive committee of American Assn. of Managing General Agents will meet at the Stevens hotel, Chicago, September 19-22. It is the established custom to hold an executive committee meeting at the same time and place as the annual meeting of National Assn. of Insurance Agents.

No Withdrawal from B. C. in Ill.

ST. LOUIS—Reports that 11 southern Illinois hospitals have withdrawn from the St. Louis Blue Cross Plan have been branded as erroneous by Elmer F. Nester, executive director of the St. Louis Plan. He said that Group Hospital has valid contracts with all of its member hospitals in southern Illinois and the great majority of these hospitals have made no efforts to cancel their contracts. Illinois members of St. Louis Blue Cross will be given full benefits in accordance with their policies, he added.

Seide to Appear on TV Broadcast

Jack Seide, president of Babaco Alarm Systems, will be a featured guest on the "Newsweek Views the News" television broadcast on Aug. 22 from 8 to 8:30 p.m. over the Dumont network.

Mr. Seide will be interviewed on truck theft and hijacking trends throughout the country and will be asked to explain how truck burglar alarm systems are being used to thwart hijackers. He will also make a prediction regarding the future of truck thefts and hijackings.



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Voluntary Health Cover Makes Huge Strides in Decade

Health Council Shows Gains in Year and Over 10-Year Span

Continuing its spectacular growth of the last decade, voluntary health insurance reached new high levels in its coverage of the American people in 1948, enabling millions more to meet unpredictable costs of hospital and medical care, Health Insurance Council reports.

As a result, the council said, two persons out of every five now have voluntary protection against costs of hospital care, while nearly one out of every four has voluntary surgical expense insurance. Striking gains also were scored by other forms of voluntary health insurance, notably that of medical expense protection which covers doctors' calls.

The council reported the following gains in the numbers covered under voluntary health insurance plans in the single year between the end of 1947 and the end of 1948:

Hospital expense — increased from 52,584,000 to 60,995,000, a gain of 8,411,000 or 16%.

Surgical expense—up from 26,247,000 to 34,060,000, increase of 7,813,000 or six millions only five years ago. Now 30%.

Medical expense—up from 8,898,000 to 12,895,000, gain of 3,997,000 or 45%.

Loss of income due to illness or accident—increased from 31,224,000 to 33,410,000, rise of 2,186,000 or 7%.

The council pointed out that the group entitled to benefits under voluntary plans for loss of income due to disability, the basic type of protection sold by private insurance organizations writing A. & H. insurance, now comprises well over half the entire labor force.

Survey Last Decade

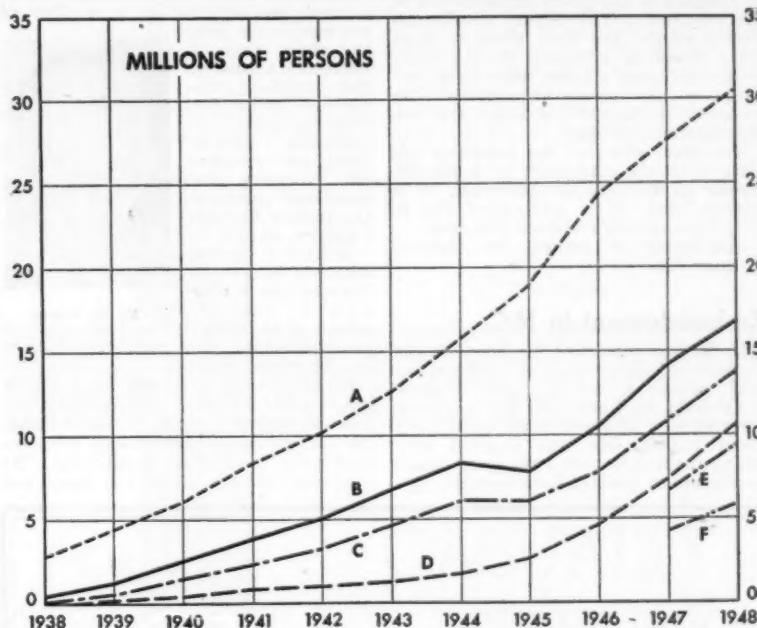
"The remarkably rapid growth of voluntary health insurance can best be appreciated if the last decade is surveyed, rather than merely one year's gain even if very great, as it was last year," John H. Miller, chairman of the committee which prepared the survey, declared.

"Historically, most health insurance plans are very new. It was only in 1930 when Blue Cross organizations first made their appearance with hospital expense coverage. Group hospitalization coverage was first made available by insurance companies in 1934. The first surgical expense insurance was offered in 1938, while medical care insurance is much more recent.

"The coverage figures tell a graphic story. Taking hospital expense under group insurance and Blue Cross plans alone (millions of others are covered for this under other voluntary plans), it is found that only about 3 1/4 million persons were covered at the end of 1938, or only 10 years ago. Five years later the number had increased to about 19 1/2 millions. The coverage now for these two types of organizations is over 47 millions, which is 15 times the 1938 total and more than double the figure of five years ago.

"For surgical expense, only 100,000 were covered 10 years ago under group insurance and plans sponsored by medical societies or affiliated with Blue Cross, while the number was less than

Show Growth Trends in Voluntary A. & H.



This chart shows how rapid has been the growth of certain types of coverage for which comparable data are available for the years of the past decade. These comprise the bulk of the hospital expense and surgical expense coverage.

- A. Individuals covered for hospital expense under Blue Cross plans.
- B. Individuals covered for hospital expense under group policies.
- C. Individuals covered for surgical expense under group policies.
- D. Individuals covered for surgical expense under plans sponsored by Medical societies or affiliated with Blue Cross.
- E. Individuals covered for hospital expense under individual policies.
- F. Individuals covered for surgical expense under individual policies.

6 millions only five years ago. Now the number covered by these plans is over 24 millions, a fourfold gain in just five years.

Medical Plan Skyrockets

"As for medical expense insurance, it was unknown 10 years ago. Five years ago less than a million were covered for this contingency by group insurance and plans sponsored by medical societies or those affiliated with Blue Cross. It is this form of voluntary health insurance which is showing the most rapid growth proportionally, as the 45% gain in total number covered in 1948 alone indicates.

"Thus voluntary health insurance, largely a new development on the American scene, has recently been making available new forms of coverage and protection against a wider range of contingencies. These plans are winning the increasingly rapid acceptance of the American people and have a most promising future."

Health insurance Council comprises American Life Convention, American Mutual Alliance, Assn. of Casualty & Surety Companies, Bureau of A. & H. Underwriters, H. & A. Underwriters Conference, Life Insurance Assn. of America, Life Insurance, and National Fraternal Congress.

Make-Up of Committees

Mr. Miller is vice-president and actuary of Monarch Life. Other members of the committee are: Maurice L. Furnivall, assistant actuary, Travelers; Bill Edward Howland, H. & A. Underwriters Conference; Frank Lang, Assn. of Casualty Surety Companies; Charles A. Siegfried, assistant actuary, Metropolitan Life; J. Henry Smith, associate actuary, Equitable Society, and J. E. Taylor, associate actuary, National Life & Accident.

The purpose of the survey was to measure the extent and growth of coverage under employer-employee and

(CONTINUED ON PAGE 18)

Young Driver Rates Are Upped 16-22% in New York State

Forego Increase on Other Risks—New AB-3 Classification Created

Auto B. I. and P. D. rates for cars with drivers under age 25 have been increased to 115% of the business use rate in New York City, and to 120% of the B rate in the rest of New York state. This comes out to an increase of around 16% in the city and 22% upstate. These increases were approved by the New York department because of the extremely poor accident record of youthful drivers and the reluctance of companies to write these risks at the previous rates.

At the same time the department rejected the requests of National Bureau of Casualty Underwriters and Mutual Casualty Insurance Rating Bureau for higher rates on other cars. The revision was postponed until late this fall when 1948 loss experience will be available.

According to a news release from the New York department, the 1947 data now compiled, supplemented by later statistics on trend of experience, indicates that a moderate increase in the overall rate level is required but the department and the rating bureaus agreed to withhold action until more recent figures can be studied and it can be determined whether the experience coincides with the trend data now available.

New Classification Is AB-3

A new classification to be known as AB-3 was approved. This will comprise youthful drivers using their cars in business as well as those using the car for pleasure. In the past, no consideration was given to the age of the driver using his car in business. As a result many risks with young drivers have been classified by producers as B as a means of getting the business approved, even though the B rate has been slightly higher.

The New York release points to a 1947 survey of 87,000 drivers in New York state outside of New York City, showing that 14.4% of the licensed operators are under age 25. The study showed that younger drivers had 28.5% of all fatal accidents and 23.8% of all non-fatal accidents.

According to the New York department, it is expected that the new rates will reopen the market for risks with young drivers. Thus, they will be able to obtain insurance promptly through normal channels without becoming subject to the delays and extra charges that are involved in the placing of assigned risks.

In Brooklyn, Manhattan and Queens counties the new AB-3 rate for B-1 is \$107 as against the old B rate of \$93 and A-3 rate of \$92. At Buffalo the comparable rates are \$53, \$44 and \$43.

It is understood that in some states there has been discussed the idea of filing for the AB-3 classification, a rate of 125% of the B rate.

Charles H. Weinbaum, Jr., has joined his father's agency at Beaumont, Tex. He graduated from Texas A. & M. as a management engineer and did graduate work in business administration at New York University.

"Ads" for Unlicensed Insurers Barred in N. C.

RALEIGH, N. C. — Commissioner Cheek has just warned North Carolina newspapers and radio stations against carrying advertising of insurers not licensed in the state.

He holds that the advertisement by agencies in this state of companies not licensed in this state, and the practice of accepting communications from citizens of this state to be transmitted to such non-licensed insurers is in violation of the law.

Pacific Employers to Put Up Houston Building

Pacific Employers has acquired a lot on the northeast corner of Francis and Fannin streets, Houston, on which it intends to erect a branch office building. This would be a modern structure. Business from Texas, Oklahoma, Louisiana, and Mississippi is handled from the regional office at Houston, of which Dick Waters is resident manager. It also maintains branch service offices at Dallas and Oklahoma City.

Reorganize Indiana Assn.

Indianapolis A. & H. Club has reorganized and changed its name to Indiana Assn. of A. & H. Underwriters. It plans to establish local groups in all the leading Indiana cities. New officers are: President, Charles Ray, Hoosier Casualty; vice-president, Harry Guion, Business Men's Assurance; secretary, Wendell C. Taylor, Taylor Publishing Co.; executive committee chairman, Paul Williams, World.

David Bornet, vice-president of National Savings & Trust Co., has been named chairman of the insurance committee of District of Columbia Bankers Assn.

L. A. Manager of Mid-States Charged with \$80,000 Theft

LOS ANGELES—Deputy District Attorney Logan Lindley has issued a complaint containing 13 counts of grand theft against Marvin Donnelly, until recently manager here for Mid-States of Chicago, along with two other individuals.

The complaint was filed after months of investigation, and after officials from the home office had come to Los Angeles personally in connection with the alleged defalcation, the total amount involved being \$80,000.

Leo Burns and John J. Stancin, both of Los Angeles, are the two others included in the complaint. Stancin is in jail in default of \$10,000 bail. Donnelly and Burns were arrested at Albuquerque, and officers from the Los Angeles sheriff's office are on their way to bring the two men back here for trial. It is reported Donnelly has waived extradition.

Donnelly, who has been manager for the company here since 1945, is alleged to have misappropriated \$80,000 of com-

pany money, and with Burns and Stancin, have gambled it away at race tracks, card houses, etc.

The complaint charges that Donnelly dealt only with used car dealers, collected the premiums on policies issued and deposited the funds in local bank accounts without notifying the company of issuance of the policy or collection of the premiums. The deputy district attorney alleges the theft came to light when Donnelly allegedly drew a draft on the company's home office in an attempt to cover up his huge losses. The company challenged the draft and the investigation followed.

The local office of the company advises that the company is protected, insofar as the loss is concerned, by a fidelity bond. It is understood this is with Lumbermen's Mutual Casualty.

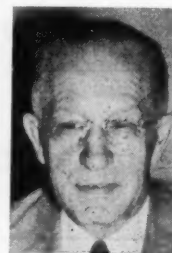
Mid-States is owned by General Finance Co.

Embezzlement in N.C.

U. S. Guarantee had the bond on the Commercial National Bank of Kingston, N.C., whose former employee, Chester J. Olzinski, of Nanticoke, Pa., has been arrested and charged with embezzling about \$34,000. He was charged with taking the money over a two year period by the use of falsified bank records.

Am. States Adds Emmco Casualty Men to the Staff

American States of Indianapolis has secured the services of a number of



M. F. Jones

top men in the field and claim force of Emmco Casualty, the premium reserve of which has been reinsured by American States. Also, the reinsuring company has appointed most of the former Emmco Casualty agents.

Millard F. Jones, who has been with Emmco about nine years, now becomes field manager for central and southern Indiana for American States. Frank Prange, who was head of the bond and burglary department for Emmco, and also served as field manager for northern Indiana and southern Michigan, is another acquisition. He was with Emmco about five years and

prior to that was with National Surety at Indianapolis.

Delmar C. Oliver, who was in charge at Detroit for Emmco about 12 years, transfers to American States, handling the Detroit area.

Hurlyn J. Yaw, casualty claim manager at South Bend for Emmco Casualty for the past two years, joins American States and will have headquarters at South Bend.

Roy Allen has joined American States claim staff. He was with Emmco about 13 years, the last three as Detroit claims manager.

Negotiations are being carried on with several other former Emmco men.

Fortunately, American States just completed a new addition to its home office building, consisting of one-story and basement each with 15,000 feet of space. On the first floor of the new building are housed all the underwriting activities and the basement is occupied by printing equipment, supply room, cafeteria and recreation space. The interior of all buildings has been remodeled to form a unified attractive interior.

American States was organized in 1929 by Dudley R. Gallahue, now chairman, and his brother, Edward F. Gallahue, now president. It operates in Indiana, Illinois, Michigan, Ohio, Kentucky and Colorado and writes full coverage auto, complete general casualty, burglary, glass, compensation and under the multiple line law in Indiana, fire and inland marine.

At June 30 assets were \$10,125,222 and capital, surplus and general voluntary reserves \$2,706,734. It is estimated that with Emmco Casualty business, the premiums for 1949 will exceed \$12 million. American States is at the top in premium writings in Indiana of stock companies. In the five middlewestern states, American States maintains 32 offices.

Greyhound Self-Insurer on Big Indiana Loss

Greyhound Bus Co. operating the bus which crashed last week at Bloomington, Ind., killing 15 persons, carried no liability insurance. The risks, which were self-insured, are being handled by Robert S. Smith, Indianapolis attorney for the company. The heavily loaded bus struck a culvert abutment just north of Bloomington about 1:30 on the morning of Aug. 11. Because of a ruptured gasoline tank, the inside of the bus was flooded with gasoline which caught fire, burning to death 15 of its occupants. A 16th man died later of burns in a Bloomington hospital.

It is expected that the liability claims as a result of this accident will be large. However, there are several factors which will tend to lower the total amount of liability loss. Practically no one who escaped from the bus ahead of the flames was seriously injured. Of the dead, more than half left no dependents.

However, one of the men who escaped has testified that, prior to the accident, the driver seemed to be sleepy.

The company has undertaken to settle as many claims as quickly as possible.

Surety Bond Group to Meet in Florida in 1950

National Assn. of Surety Bond Producers has decided to hold its 1950 annual meeting March 13-14 at some place in Florida. The committee on the annual meeting is headed by J. B. Waters of McCrory, Armstrong & Waters of Jacksonville, Fla., and he will be largely responsible for selecting the place and making the arrangements.

W. L. Dawes Resigns

Walter L. Dawes, vice-president of California Agencies, Inc., general agent for Continental Casualty, Continental Assurance and other companies, has resigned effective Sept. 1. He is widely known as a marine underwriter.

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Permissive Use Issue Decided Against Insurer

Judgment against Liberty Mutual involving a permissive use of the automobile question has been affirmed by the Virginia supreme court of appeals, the case being Liberty Mutual vs. Tiller. Here an employee of the assured was involved in an accident while driving his employer's dump truck while on a mission of his own.

The employee, John Baker, Jr., had gone to the bus terminal at Norfolk during the night for headache powders and there picked up two sailors and took them 10 miles to the naval operating base. Upon his return the collision occurred and he was arrested, convicted of reckless driving and fined \$100.

T. W. Bozarth was the assured. The jury found that Baker had permission to use the truck for purposes other than the business of the owner. The higher court said from the evidence the conclusion is thoroughly justified that Baker had the exclusive control of the truck at all times and in the evenings, and at night he kept it at his own home and used it at will for his own purposes whenever he pleased. Bozarth had never told Baker not to use the truck in the evenings or at night; on the other hand, he instructed him to take the truck and keep it.

Baker testified that Bozarth told him that the insurance company wanted a statement from him, that he should tell the truth, that no one could do anything to him or bother him. He did not reprimand him for using the truck without permission. Baker's use of the truck naturally increased the gasoline bill and in this way Bozarth also must have known of Baker's use of the truck but he never complained about the excess gasoline bill. Whether Baker had permission, express or implied, to use the truck at the time of the collision was a question of fact for the jury, the court said.

Inland Mutual Moves Into New Home Office

Inland Mutual has now moved into its new home office building at 1017 Sixth Avenue, Huntington, W. Va. This is a completely modern, air conditioned, two-story structure. Open house is being held for citizens of Huntington and the agents Aug. 18 and 19.

At June 30, 1949, Inland Mutual had assets of \$1,143,138 and policyholders surplus of \$350,511. It is operating in Michigan, Indiana, Ohio, Maryland, Delaware, Virginia and West Virginia, and expects to be licensed by the end of this year in 12 or 14 states.

Work on Revision of Wis. Assigned Risk Plan

The members of the Wisconsin automobile assigned risk plan are currently engaged in striving to come to an agreement among themselves on a revision of the plan that can be submitted to the insurance department in accordance with the requirements of the law that was enacted by the 1949 legislature. Companies have 90 days from June 24 within which to submit a plan. If they fail to do so within that period, the insurance commissioner under the law shall prescribe a plan in which the companies must participate.

There have been several meetings of the governing committee of the plan and the members were recently questioned on various proposals that emanated from these meetings.

One group that is heavily interested is strongly in favor of a pool arrangement, but it is believed that this company would be willing to subscribe voluntarily to a plan if it were confined to substandard as distinguished from extra hazardous business. Hence one proposal

on which the members were asked to indicate a preference was whether the plan should be modified so as to pertain exclusively to substandard business and a pool should be organized for extra hazardous risks. The pool would take in such risks as buses, taxis, interstate truckers, subject to interstate commerce commission, truckmen operating in a radius of over 50 miles and all other extra hazardous commercial risks. It was indicated that of the 6,000 risks now serviced by the Wisconsin plan, 200 or less would be included in the

extra hazardous classification.

The present plan has been subject to insurance department criticism on the ground that it imposes a surcharge on the youthful driver and the physically disabled who are compelled to enter the plan only because of their youth or their disability. Hence one proposal was that the surcharge should be eliminated on these risks. It was indicated that in view of the special rate for young drivers that is in effect in Wisconsin, it is embarrassing to force them into the assigned risk plan with a surcharge.

Slate Hershey at Chicago

Insurance Director Hershey of Illinois will be the speaker at the first fall meeting of Chicago A. & H. Assn., Sept. 20.

The program for the entire season is rapidly being rounded into shape by President John H. Campbell, Provident Life & Accident, and the other officers and directors. It is now planned to have the sales congress in November and transfer the annual dinner to the spring, reversing the procedure that has been followed in recent years.

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NEWS OF THE CASUALTY COMPANIES

First Half Record for New Amsterdam

The largest net premium volume for any first half year in company history was recorded by New Amsterdam Casualty for the six months ended June 30, 1949, when net volume amounted to \$18,456,949.

This was an increase of \$885,146 over the same 1948 period, a gain the company said resulted largely from higher rates, principally in automobile lines. The company also noted an upturn in contract bond premiums.

Along with the volume rise, investment income for the first six months this year increased to \$665,471 from \$568,286 for first-half 1948.

Combined gain from underwriting and investments, before deduction of income tax incurred, was \$2,233,628 for the 1949 period as compared with \$725,800 for the six months last year.

Total assets rose to \$66,927,296 on June 30 from \$60,372,660 a year earlier.

Holdings of stocks and bonds reached an aggregate of \$49,441,895, including \$34,805,454 in U. S. government securities.

The company is paying a dividend of 70 cents a share on Sept. 1, bringing total disbursements for 1949 to \$1.30 a share. Last year \$1.10 a share was paid.

United States Casualty, a subsidiary, showed a premium volume of \$9,511,784 for the first six months compared to \$9,323,996 for the similar 1948 stretch. Its assets totaled \$29,666,625 on June 30, as against \$27,140,018 a year earlier. New Amsterdam owns 99.27% of the common stock and 32.06% of preferred stock of U. S. Casualty.

Am. Surety Gives Mid-Year Results

American Surety reports that its net premiums written for the first six months of 1949 totaled \$15,388,691 while net losses and allocated claim expenses paid were \$6,450,456 for a ratio of 41.9. The

expenses paid excluding allocated claim expenses and federal income taxes were \$7,831,023 for a ratio of 50.9. Federal income taxes paid were \$22,368.

Premiums earned were \$14,566,001, losses incurred \$7,475,617, the ratio being 51.3. The underwriting loss before federal income tax was \$319,060, investment income before income tax was \$540,260, depreciation of securities and loss from foreign exchange, plus loss on sales of securities \$127,332, and dividends declared were \$375,000.

Fidelity & Deposit Sets Volume Mark

Largest net premiums ever written by the company over a six months period were recorded by Fidelity & Deposit for the first half of 1949. Premiums amounting to \$9,227,854 exceeded the comparable 1948 total by \$163,454.

Net underwriting gain for the first half was \$1,283,661 compared to \$760,957 for the same 1948 period. Investment income from interest, dividends and rents totaled \$413,201 as against \$387,660 for six months of 1948. Combined gain from underwriting and investments was \$1,798,098 in the six months of 1949, compared with \$1,164,544 in the 1948 period.

Assets were \$46,672,420 on June 30, as compared to \$42,988,000 a year earlier. Surplus to policyholders was \$22,186,816, including \$2,696,250 voluntary reserves, \$3,000,000 capital and \$16,490,566 surplus. On June 30, 1948, surplus to policyholders was \$21,359,071, including \$2,579,052 voluntary reserves, \$2,400,000 capital and \$16,380,020 surplus.

Zenith to Sell Stock

LOS ANGELES — Commissioner Downey has authorized Zenith National to sell 2,000 shares of its stock, with par value of \$50, to Dr. E. E. Hassen at \$100 per share, to net the company \$200,000. The company when it is licensed, will write workmen's compensation. President is Frank Hill, formerly with Swett & Crawford; vice-president, William E. Hassen; secretary, Edgar S. Wilkinson; general counsel, Philip H. Bock.

CHANGES

Three Are Advanced by Merchants Mutual Casualty

Albert H. Meyer has been elected second vice-president and treasurer of Merchants Mutual Casualty of Buffalo. He succeeds the late W. A. McNeely. Mr. Meyer is vice-president of Marine Trust Co. in charge of the Williamsville branch. He has been a director of Merchants Mutual since 1934 and is chairman of the finance committee.

Earl H. Keyser has been named as assistant to the general manager and Walter T. Eppink as actuary. Mr. Key-

ser has been vice-president and assistant secretary and Mr. Eppink vice-president and assistant treasurer.

Clifford M. Kirtland and James C. Tremaine have been elected directors. Mr. Kirtland is vice-president of Manufacturers & Traders Trust Co. Mr. Tremaine is a partner in Gude, Winnell Co., New York investment bankers.

Hartford Makes Stewart Detroit Assistant Manager

James C. Stewart has been named assistant manager of Hartford Accident at Detroit.

He was born at Hartford and joined Hartford Accident in 1935. He became a junior underwriter in the compensation and liability department.

During the war Mr. Stewart advanced from second lieutenant to major, and he saw service in Australia, New Guinea, Admiralty Islands and the Philippines. He presently is a lieutenant colonel in the Connecticut national guard.

He instructed at Hartford's training center before being transferred to the home office agency department.

Head Chief Actuary

Glenn Head has been named chief actuary of Iowa Life, Iowa Farm Mutual and Iowa Mutual Hail, affiliated with the Iowa Farm Bureau Federation. Mr. Head, who is also assistant secretary of Iowa Life, has served as assistant actuary of the companies since 1947. He is a graduate of the University of Illinois.

Kenneth Wood has been named chief accountant of Iowa Life. He has been an auditor for Farm Bureau Federation for six months.

COMPENSATION

Ariz. W. C. Fund Heavily Drained

The Los Angeles consulting actuarial firm of Coates, Herfurth & England has given a report to the Arizona industrial commission, warning that the state compensation fund may be faced with ultimate insolvency unless rates are increased and the laws are changed. The law should be amended just as soon as possible to protect the commission on the impact of unjustifiably large or unwarranted claims, the opinion stated.

Awards in 1948 increased to \$1,745,241 as compared with \$993,456 the previous year. The average claim was \$1,575 last year as against \$904 in 1947. Also, there is a large number of claims being processed with reserves exceeding \$10,000 and this has created a severe drain on the surplus in the catastrophe hazard reserve.

The actuaries criticize the law be-

For Special Consideration

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SPECIALIZING IN WORKMEN'S COMPENSATION AND ALL LINES OF LIABILITY COVERAGE

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cause it provides no maximum on the amount of monthly benefits that may be granted or on the aggregate amount of any award. Also it pointed out legal decisions have tended to liberalize greatly the definition of wages. The method used in determining earnable compensation appears to be more liberal than that originally contemplated under the law. Because of the amount of the awards granted in many cases, there is no financial incentive for an employee to return to work. Compensation is being paid to so-called dependents where the actual dependency may be very questionable. These faults should be corrected by legislation, the opinion declared.

W. C. Reduction in Neb.

LINCOLN, NEB.—Workmen's compensation rates will be reduced 5.2% effective Sept. 1, Insurance Director Stone announced. Earlier this year Nebraska compensation rates went up because of legislation raising the maximum weekly benefits from \$18 to \$22.

Favorable experience in Nebraska now permits the reduction.

Idaho Rates Up 16.7%

Revised workmen's compensation and employer's liability rates with a flat increase of 16.7% have become applicable in Idaho to new, renewal and outstanding business to take care of benefit increases enacted this year and which became effective July 1. The rate increases are not applicable to outstanding business expiring prior to Aug. 1.

ACCIDENT

Watkins Transferred to Central Florida Field

C. Leslie Watkins, for three years general agent of the intermediate A. & H. division of Continental Casualty for southern Florida with main office at West Palm Beach, has been promoted and transferred to central Florida, and is opening his main office at Orlando, with other offices at Daytona Beach and Cocoa.

Mr. Watkins served as first vice-president of Florida Assn. of A. & H. Underwriters and rather recently was elected president of the Palm Beach County Assn.

A local association is being formed at Orlando and will be host to the state convention which will be held in that city sometime in October. Mr. Watkins has been very active in association work for several years, and will assist in forming the Orlando organization.

Plan Extension of A. & H. Association Work in Okla.

OKLAHOMA CITY—One of the major goals set by Floyd E. Maytubby, Occidental Life, president of Oklahoma A. & H. Assn. for the coming season is to expand the association throughout the state. The initial effort will be to organize an association at Tulsa, and then begin work on the smaller cities.

In arranging programs for the season, prime effort will be placed on broadening the field of education, to give members a better understanding of matters outside of insurance that have a definite bearing on it. The program will include information on local and national legislation, the general financial situation and its effect on local economics, and other matters that will give the agents a better picture of what he will have to cope with in this rapid changing field.

The season will open with a meeting Sept. 18.

To Discuss New New York Law at Bureau Meeting

A discussion of the problems of insurers in writing coverage under the New York non-occupational disability law, effective July 1, 1950, will be a fea-

ture of the annual meeting of Bureau of A. & H. Underwriters at Highland Park, Ill., Oct. 10-12. The discussion, the afternoon of the first day, will include policy requirements, methods which may be used to write statutory and extra-statutory coverage, and procedures which must be developed by insurers in doing this type of business. P. J. Burns, Eagle-Globe-Royal Indemnity, will lead the discussion.

T. Y. Beams, vice-president of Eagle-Globe-Royal, will give an address at the opening session on the problems of insurers providing coverage under the disability benefits law.

H. L. Graham, Manufacturers Casualty, will discuss increasing production of A. & H. coverage.

Idaho Countersigning Case Again Won by Travelers

Travelers has won a decision from the U. S. ninth circuit court of appeals in a case that has been attracting considerable attention off and on for several years involving the matter of countersignature fees payable to an Idaho agent, now deceased. The case is now known as Broderick, Admx. vs. Travelers. The action was originally brought by Ware, who was the agent in Kootenai county, Idaho.

Under Ware's contract with Travelers there was an agreement in 1936 to pay Ware a monthly remuneration of \$5 for countersigning policies issued on Idaho risks in connection with proposals for insurance secured outside the state and not procured by Ware.

The claim in suit was for commissions at the rate of 10% on five policies which Ware countersigned that were written under the war department rating plan. Ware was paid for his countersigning service pursuant to the monthly compensation agreement.

The claim is based on an Idaho law of 1932 which, among other things, provided that a resident agent shall countersign all policies and shall receive the full commission when the premium is paid, except when the policy is made, written or placed by a licensed broker, in which event the countersigning agent shall receive a commission of not less than 5% of the premium paid.

The court said that there is nothing in the local statutes making it unlawful for Ware to agree to accept \$5 a month for his countersigning services. The statute fails to provide a basis for recovery. It prescribes no amount of commission which shall be paid the countersigning agent. Since no commission was, in fact, paid to anyone and none was payable under the terms of Ware's agency contract, the court is left without guide for arriving at any sum to be awarded. The plaintiff contends for the application of the "customary" rate, but no local custom was shown which might conceivably supply a basis. The argument was made that the statute must be written into the agency contract, and since the agency agreement expressly prescribes the 10% commission on workmen's compensation insurance, the "full commission" referred to in the statute is thereby definitely established. But to this the court said that the agency contract provides for a commission only on proposals secured by or through the agent. Also in respect of risks written on a retrospective basis, there was a memorandum agreement in 1940 displacing the contract percentage on retrospective risks and leaving the commission to be fixed on the basis of the individual risk, which was not done.

The court said it is not necessary to consider whether the statute confers on the agent a right to sue, or whether the use of the war department rating plan unlawfully impinged on the statute. If it did, the circumstance avails the plaintiff nothing. Ware's rights as agent were necessarily derived from the transactions actually consummated by his principal. Apparently the state has not complained. It might in some appropriate proceeding exact penalties or withdraw from the

carriers the privilege of doing business in the state, but these are remedies pertaining only to the sovereign.

Products Cover Required for Liquefied Petroleum

Attorney General Daniel of Texas has declared that liability insurance policies of manufacturers of liquefied petroleum gas in Texas must include products. The Texas legislature at its last session passed a law requiring each LPG license holder to carry \$5,000 P. D. on each vehicle owned, plus \$5/10,000 B. I. and a similar manufac-

turers-contractors coverage. This new opinion given to Chairman William J. Murray, Jr., of railroad commission says products also must be covered if such insurance is available. It says a processor cannot post bonds but must buy the required insurance.

Minn. Federation to Meet

The annual meeting of Insurance Federation of Minnesota will be held at St. Paul Oct. 24 with Dr. Laurence Gould, president of Carleton college, Northfield, Minn., as speaker. It will be a dinner meeting instead of the usual luncheon session.

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can help boost your volume

NOW that the ever-popular Comprehensive Personal Liability coverages can be readily added to our automobile liability policies by our new endorsement, your clients will be quick to appreciate the convenience and advantages of this arrangement when you talk with them. Here are a few of the sales points:

- Protects the insured and his family in or out of automobile.
- Covers all personal activities, including all sports. (Especially important when on vacations.)
- For accidents other than automobile, \$250 Medical Payments coverage applies to each injured person except the insured and persons residing on his premises. (Most insureds have already purchased Medical Payments insurance in connection with automobile insurance.)
- No separate policy necessary.
- Same low cost as a separate policy — \$10 a year for \$10,000.
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AS A SALES AID FOR YOU our current general and business magazine advertising highlights this endorsement. Here's a real opportunity to increase your commission income without writing additional or separate policies. Any one who has our private passenger car liability policy but no CPL is a ready prospect. Write for a free copy of our recent "Mailroad to Profits" which features this new endorsement.



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Huge Strides in Voluntary Health Cover

(CONTINUED FROM PAGE 13)

other voluntary programs, individuals covered solely by government insurance under compulsory plans have not been included in the total number of persons protected against loss of income due to disability. However, data have been obtained which indicate that more than 4 million workers were engaged in covered employment at the end of 1948 under the Rhode Island and California cash sickness plans and under the Crosser amendment to the railroad unemployment insurance act. Of these, it is estimated that about 2 million were protected solely by a compulsory plan. In addition, a temporary disability benefits law became effective in New Jersey Jan. 1, 1949.

Also omitted from the survey are various types of protection such as those listed below which were not considered appropriate for inclusion in this study but which, nevertheless, provide many dollars in benefits to the injured and disabled.

—Workmen's compensation providing protection to the majority of wage earners against occupational accidents

and diseases.

—Total and permanent disability benefits included in many life insurance policies.

—Commercial accident policies providing disability indemnity and other benefits in event of accidental injuries, approximately 4½ million in number.

—Group accidental death and dismemberment insurance protecting over 6 million individuals in event of loss of life, limb, or sight by accidental means.

—Commercial accident policies covering travel hazards and other specified risks, over 4 million in number.

—Complete medical care for persons in the armed forces.

—Complete medical care for persons in public institutions.

—Medical care and disability pensions available under certain conditions to war veterans.

—Protection under automobile and all other types of personal injury liability policies.

—Medical payments provisions under many automobile, residence liability and other types of liability policies.

The following table gives the estimated number of individuals covered by the various forms of voluntary accident and health protection on Dec. 31, 1948:

A. Insurance companies and fraternal societies.....	20,640,000
B. Paid sick leave—In private industry.....	4,560,000
Paid sick leave—In civilian government service.....	4,750,000
C. Employe mutual benefit associations.....	1,460,000
D. Union plans and other employer-employee methods.....	2,000,000
Grand total*	33,410,000

II. Hospital, surgical and medical expense coverage	Hospital	Surgical	Medical
A. Insurance companies and fraternal societies			
Personal.....	13,689,000	11,203,000	2,442,000
Dependents.....	12,295,000	8,425,000	902,000
Total.....	25,984,000	19,628,000	3,344,000
B. Blue Cross plans and plans sponsored by medical societies			
Personal.....	13,636,000	4,775,000	2,711,000
Dependents.....	17,610,000	5,833,000	3,001,000
Total.....	31,246,000	10,608,000	5,712,000
C. Other organizations			
1. Bituminous coal industry			
Personal.....	230,000	269,000	269,000
Dependents.....	300,000	350,000	350,000
2. Consumer sponsored.....	1,600,000	1,600,000	1,600,000
3. Industrial, excluding coal mining.....	1,260,000	1,220,000	1,215,000
4. Private group clinics.....	275,000	285,000	305,000
5. University health plans.....	100,000	100,000	100,000
Total.....	3,765,000	3,824,000	3,839,000
Grand total.....	60,995,000	34,060,000	12,895,000

*This does not include individuals covered solely by government insurance under compulsory plans.

†Certain plans underwritten by insurance companies with the specific approval or endorsement of a medical society are excluded from A and included in B.

New Indiana Law to Relieve Insurers of Burden

Under an Indiana law becoming effective Sept. 1, insurers will be relieved of the burden of supporting the administration of the automobile financial responsibility law. The cost to insurers has been about \$125,000 annually. Commencing Sept. 1, every motorist who is fined for a moving traffic violation will be assessed an extra \$1.75 of which \$1.50 will go to the division of safety responsibility. This will provide the fund to replace the contribution by insurance companies.

It is expected that the amount ultimately collected from these fines will be so much greater than the insurance company assessment that the insurers will end up paying nothing.

This act was sponsored by Indiana Insurers Assn. Every domestic insurance company under control of the department is a member of this association.

New Los Angeles Company

LOS ANGELES—Interstate Indemnity of Los Angeles has been chartered to write liability, workmen's compensation, common carrier liability and automobile insurance, with the ultimate plan of operating as a multiple line insurer.

It has applied for a closed permit to sell 15,000 shares of stock of \$10 par value at \$20 to net \$300,000, of which \$150,000 will be capital and \$150,000 paid in surplus.

Ray A. Rosendahl is president; Wendell R. McCool and George J. Benkie, vice-presidents; Howard S. Siskel, secretary; C. E. Kinninger, treasurer, all of Los Angeles except Benkie, who is from San Francisco.

Scott UCD Superintendent

LOS ANGELES—Linden L. Scott has been appointed superintendent of the UCD department in the southern California department of Fireman's Fund Indemnity. He was formerly with State Mutual Life and Continental Assurance. He was a navy lieutenant commander during the war.

Heine to American Cas.

William F. Heine, former Illinois state agent for General Casualty, has joined American Casualty at Chicago as fire production manager.

John G. Hedgecock, former bond manager for Manufacturers Casualty at Chicago, now is manager of American's bond department there. Bernard W. Gaul will concentrate on bond production in the field for American.

U. S. A. I. G. Had Cover on Transocean Air Crash

United States Aviation Insurance Group was the insurer of the Transocean Air Lines four-engine Skymaster which landed in the Atlantic when it ran out of gas after flying past Shannon where it was to have refueled. The plane had 58 persons aboard of whom 49 were saved in a dramatic air-sea flare-lit rescue. It was en route to Venezuela from Italy by way of New York.

The hull of the craft was valued at about \$250,000. Public and passenger liability and workmen's compensation on the crew were also carried by U.S.A.I.G. There is doubt as to whether the Warsaw Convention limiting recoveries on some international flights to about \$8,300 will apply. Venezuela is not an adherent to the convention. California limits apply to the workmen's compensation coverage. Eight of the dead were Italian, the sole American fatality being the ship's radio officer. It was the first crash in the air line's history.

Cal. Legislation Reviewed

LOS ANGELES—Assemblyman Laughlin E. Waters spoke before the Casualty Insurance Adjusters Assn. on "Legislation Proposed, Passed and Defeated in the Last Legislature Affecting Insurance Companies." He said the best work of the legislature was in the number of bills killed, rather than in those passed. He touched on some of the bills really important to insurance and also on tax matters and the financial status of the state.

Lumbermen's Mutual Gets Bond

The Washington state fidelity schedule bond, covering approximately 3,514 state employees other than those required to post statutory bonds, has been awarded to Lumbermen's Mutual Casualty.

Lumbermen's Mutual was low bidder, with a rate of \$1.75. General Casualty of Seattle, which wrote the bond last year, quoted the same rate of \$1.95. There were eight bureau companies quoting a \$2 rate. Peerless Casualty also quoted \$2.

Total amount of coverage under the schedule bond is \$6,266,000.

We offer a good opportunity for an experienced automobile adjuster in the territory immediately surrounding Celina with headquarters in the home office. Car furnished with outside expenses paid. Salary commensurate with experience and ability. Give experience and references in first letter.

The Celina Mutual Casualty Company
Celina, Ohio

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DO YOU BELIEVE
That The Needle of a
Compass Points to the
North Pole?

The compass needle points to the North Magnetic pole which is some 1,500 miles to the west of the North Pole.

YOU CAN BELIEVE.....

... that when you "team-up" with Hawkeye-Security-Industrial's ever growing agency team that you are going to get the best in service.

Day in and day out Hawkeye-Security-Industrial is helping more agents build sales. They service agents speedily and efficiently ... claims are paid promptly ... every possible sales help is given ... and a staff of Field Representatives work closely with agents.

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August 18, 1949

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Counsel Committee Chairmen Named

Committee appointments for International Assn. of Insurance Counsel have been made by President L. Duncan Lloyd of Lord, Bissell & Kadyk, Chicago.

The committees and their chairmen are: Accident and health, Richard B. Montgomery, Jr., Montgomery, Fenner & Brown, New Orleans; automobile law, Victor C. Gorton, general counsel Allstate; aviation law, George W. Orr, U. S. Aviation Underwriters; casualty, Stanley C. Morris, Steptoe & Johnson, Charleston, W. Va.; eligibility, Milton A. Albert, New Amsterdam Casualty; finance, Mr. Albert; highway safety, Frank X. Cull, Inglis, Sharp & Cull, Cleveland; fidelity and surety law, George A. Blanchet, Bigham, Englar, Jones & Houston, New York; financial responsibility, John P. Faude, Aetna Casualty; fire and marine, Ambrose B. Kelly, associate general counsel Factory Mutuals; home office counsel, John R. Kitch, president Security Mutual Casualty.

Journal, Ernest W. Fields, assistant general counsel U.S. Guarantee; marine, Stanley B. Long, Bogle, Bogle & Gates, Seattle; open forum, Lester P. Dodd, Crawford, Sweeney & Dodd, Detroit; practice and procedure, Lon Hocker, Jr., Jones, Hocker, Gladney & Grand, St. Louis; reinsurance and catastrophe, Holly W. Fluty, General Reinsurance; workmen's compensation, J. Mearl Sweitzer, general counsel Employers Mutual Liability; memorial, Milo H. Crawford, Crawford, Sweeney & Dodd, Detroit. The general entertainment committee will be in charge of L. J. Carey, Michigan Mutual Liability; men's golf, John H. Anderson, Jr., Smith, Leach & Anderson, Raleigh; bridge, Wayne Ely, Ely & Ely, St. Louis. J. Harry LaBrum, Conlen, LaBrum & Beechwood, Philadelphia is in charge of the reception committee for new members.

Introduce A-3 in Kansas

Revision of the automobile liability insurance rates for private passenger car risks with operators under 25 years of age has become effective in Kansas. Private passenger class A-3 is available for the first time there. There is no change in any other rates.

The effect on statewide rate levels is an increase of 1.9% for B. I. and 3.7% for P. D.

National Surety Reports

National Surety reports that in the first six months of 1949, its premiums amounted to \$10,500,456, which was an increase of about \$315,000 as against the same period last year. Consolidated unearned premiums were \$16,318,451, compared with \$14,194,397 at June 30, 1948.

The written premiums of Service Fire and Service Casualty, other insurance

subsidiaries of Commercial Investment Trust, for the first half year totaled \$26,810,544 compared with \$17,125,893 for the parallel period last year. Premium reserve of the two companies came to \$35,788,509 as against \$20,064,918 at June 30, 1948 and \$26,498,430 at Dec. 31, 1948.

Roger Forms Independent Adjusting Firm at Detroit

P. G. Roger, general adjuster at Detroit for Underwriters Adjusting, has resigned to form his own independent adjusting firm, P. G. Roger & Co., in the Dime building, Detroit. He will handle all types of adjustments for the companies.

Mr. Roger has had 24 years' experience in the adjusting field with Underwriters Adjusting, serving as staff adjuster, resident adjuster, assistant to the manager at Detroit and as general adjuster there.

Washington Agents Expect Record State Attendance

SEATTLE—Members of King County Insurance Assn. previewed the annual convention of Washington Assn. of Insurance Agents, at a special luncheon meeting.

Thomas A. Harman of P. J. Percy & Co., general chairman for the convention, which will be held here Aug. 28-30, outlined the principal features and reported that record registration is anticipated.

J. R. Storm, association president, reviewed current activities and outlined principal problems being met by the National association currently.

Wichita Agency Honored

In recognition of the 25th anniversary of the Smith-Stone-Snyder agency, Wichita, President W. A. Hebert of Springfield F. & M., which is celebrating its 100th anniversary this year, presented the agency a sepia photograph of the original oil painting of the Springfield "Covered Wagon," which had held a position of honor at the Springfield centennial banquet for the western department at Chicago earlier in the year. The picture now occupies a prominent spot on the walls of the private office of President Dwight Smith of the agency. The actual presentation was made by State Agent Deane S. Jaeger, who recently opened up Wichita headquarters for Springfield in the Schweiter building.

Offers New Type of Stock

LOS ANGELES—California Compensation has applied to the California department for a closed permit to sell to the Nathan G. Fairburn General Agency 85,636.20 shares of deferred common stock with par value of \$.25 at a price of \$21.414.

This is a new type of stock, which, so long as any preferred stock of the company is outstanding would have no voting rights, no dividend rights, and no liquidation rights. When the preferred stock all has been retired, the new deferred stock will rank equally with the other common stock. The addition to the company capital is to enable it to write added lines.

Veitenhaus Opens Agency

Alvin A. Veitenhaus, formerly manager of the insurance department of the Dick & Reuteman Co., Milwaukee, has resigned and established his own local agency. He is a director of Milwaukee Board and a former officer of Wisconsin Assn. of Insurance Agents and the former Milwaukee County Board of Casualty & Surety Underwriters. Arthur E. Buss succeeds him with Dick & Reuteman.

John F. Schmidt, Chicago manager of Seaboard Surety, is vacationing on a ranch on the Little Snake River in Colorado, riding horses and pursuing fish.

Successful Agency Management School

The school in advanced agency management, a week's seminar at Storrs, Conn., jointly sponsored by the Connecticut and National Assns. of Insurance Agents and the school of business administration of the University of Connecticut, had an attendance of 53 this year. Agent-students were from 16 states, the District of Columbia and Canada.

R. E. Farrer, director of the educational division of N.A.I.A., treated "Specifics of the Job," "Analysis of Agency Expense," and "Public Relations;" Lawrence J. Ackerman, dean of the sponsoring school, "Legal and Tax Problems of Proprietorships;" R. J. Layton, Rough Notes, "Office Management;" F. M. Senf, Fafnir Ball Bearing Co., "Selection of Agency Personnel."

Frederic J. Flynn, F. J. Flynn Associates, New York, discussed "Analysis of Custom Accounts;" Byron H. Clark, Peck Advertising Agency, New York, agency advertising; John Adam, Jr., Central Manufacturing Mutual, Boston, agency salesmanship; William Muhle, Yale divinity school, effective speaking,

and Roy A. Duffus, Rochester, "How to Be a Better Agent."

W. H. Wiley, executive secretary of the Connecticut association, represented that group.

Also discussed were unearned commission reserves, the necessity of a change in the tax laws to cover liquidation of partnerships on death, and work simplification.

Five of those attending indicated their agencies write all of their policies, 42 do not. Companies write from 0 to 98% of the policies of those agencies represented, with an average of 40%. Thirty-four handle life insurance. The total premium volume represented ranged from \$10,000 to \$1 million for an average of \$228,000 a year.

New York State Senator William F. Condon, who will head the joint legislative committee on insurance rates and regulation during the next legislative session, has returned from a European visit and with Paul F. Bleakley, newly appointed committee counsel, has begun preparing the agenda for committee activities in the fall. It is expected that a number of hearings will be held.

The San Francisco offices of Standard Accident have been moved to 417 Montgomery street.

Yes Sir!
Every Good Insurance Man
sometimes feels like this Fellow!
Worried!

"Now I Remember — he told me to put on that Insurance.

"Now comes the loss, and no Insurance.

"There must have been a slip up somewhere along the line."

That is something to worry about



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WORKMEN'S COMPENSATION PRODUCER

Excellent opportunity, especially if familiar with retrospective or participating plans. Texas territory only.

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P. O. BOX 1259 GALVESTON, TEXAS

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Good opportunity for a young fieldman for stock casualty company in Indiana. Should have experience in the auto and casualty business. Address V-59, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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Inland Marine Results Reviewed

(CONTINUED FROM PAGE 4)

Results by States Set Forth on P.P.F.

State	Counties	Written Premiums \$	Paid Losses \$	Ratio In- Losses Paid to Pre- miums Written %	Ratio In- Losses Paid to Pre- miums Earned %
Alabama	Jefferson County	104,234	55,281	53.04	58.20
	Remainder of State	123,411	79,990	64.82	71.12
Alaska	Entire Territory	2,141	5,135	239.86	262.17
Arizona	Entire State	199,989	144,885	72.45	79.49
Arkansas	Entire State	332,522	173,705	52.24	57.32
California	Los Angeles County	2,016,439	1,475,431	73.17	80.28
	Remainder of State	1,994,578	1,539,448	77.18	84.68
Colorado	Denver County	12,193	106,432	82.95	69.97
	Remainder of State	108,713	16,822	62.03	68.06
Connecticut	Entire State	578,124	320,278	55.40	60.78
Dist. of Columbia		198,827	154,951	77.93	85.50
Delaware	Entire State	34,015	11,740	34.51	37.86
Florida	Broward, Dade, Palm Beach Duval, Hillsborough, Pin- ellas Counties	538,944	402,410	74.67	81.93
	Remainder of State	278,431	255,069	91.61	100.61
Georgia	DeKalb & Fulton Counties	272,374	152,580	56.02	61.47
	Remainder of State	234,666	157,537	67.13	73.66
Hawaiian Islands	Entire Territory	32,182	14,788	45.95	50.42
Idaho	Entire State	63,481	32,950	51.91	56.96
Illinois	Cook & Lake Counties	2,871,333	1,764,543	61.44	67.41
	Remainder of State	794,405	472,557	59.49	65.27
Indiana	Lake County	69,876	49,885	71.39	78.32
	Marion County	185,514	101,988	54.98	60.32
	Remainder of State	500,947	299,780	59.84	65.66
Iowa	Polk County	72,312	66,949	92.58	101.58
	Remainder of State	262,604	171,534	65.32	71.67
Kansas	Entire State	441,637	257,838	58.38	64.05
Kentucky	Campbell & Kenton counties	20,111	16,018	79.65	87.29
	Jefferson County	131,062	58,557	44.68	49.02
	Remainder of State	106,455	66,414	62.39	68.45
Louisiana	Jefferson, Orleans & Pla- quimines Parishes	150,294	123,158	81.94	89.90
	Remainder of State	159,240	89,605	56.27	61.74
Maine	Entire State	27,291	23,676	86.75	95.18
Maryland	Baltimore City & County	268,033	106,851	39.86	43.73
	Remainder of State	118,235	68,751	58.15	63.80
Massachusetts	Entire State	470,420	383,226	81.46	89.38
Michigan	Wayne County	433,499	349,514	80.63	88.47
	Remainder of State	329,429	237,286	72.03	79.03
Minnesota	Entire State	660,099	378,400	57.32	62.89
Mississippi	Entire State	173,888	132,632	76.27	83.68
Missouri	Entire State	1,225,659	805,998	65.76	73.15
Montana	Entire State	48,244	30,791	63.82	70.02
Nebraska	Douglas County	111,747	76,857	68.78	75.47
	Remainder of State	128,127	72,107	56.28	61.75
Nevada	Entire State	51,877	39,197	75.56	82.90
New Hampshire	Entire State	66,039	19,617	29.71	32.60
New Jersey	Entire State	748,276	432,492	57.80	63.42
New York	Bronx County	401,058	267,768	66.77	73.26
	Kings County	1,015,618	794,181	78.20	85.80
	Queens County	496,543	338,717	68.22	74.85
	New York County	1,855,830	1,242,351	66.94	73.45
	Remainder of State	1,733,942	1,107,649	63.88	70.09
New Mexico	Entire State	111,782	66,469	59.46	65.24
North Carolina	Entire State	227,831	133,704	58.69	64.39
North Dakota	Entire State	63,579	54,533	85.77	94.11
Ohio	Cuyahoga, Mahoning, Sum- mit counties	620,637	353,651	56.98	62.52
	Franklin, Hamilton, Lucas counties	519,488	286,703	55.19	60.55
	Remainder of State	609,504	361,976	59.39	65.16
Oklahoma	Entire State	687,448	425,979	61.97	67.99
Oregon	Multnomah County	124,250	80,004	64.39	70.65
	Remainder of State	142,256	79,143	55.63	61.04
Pennsylvania	Entire State	1,099,924	677,628	61.61	67.60
Rhode Island	Entire State	146,492	75,197	51.33	56.32
South Carolina	Entire State	126,071	85,440	67.77	74.36
South Dakota	Entire State	60,917	35,956	59.03	64.77
Tennessee	Shelby County	186,889	76,145	40.74	44.70
	Remainder of State	336,124	174,681	51.97	57.02
Texas	Entire State	1,189,499	684,825	57.57	62.86
Utah	Salt Lake County	34,420	16,155	46.93	51.49
	Remainder of State	31,002	12,246	39.50	43.34
Vermont	Entire State	37,369	40,622	108.70	119.27
Virginia	Chesterfield, Henrico, Nor- folk, Washington coun- ties & Richmond City	112,497	62,764	55.79	61.21
	Remainder of State	150,687	65,778	43.65	47.89
Washington	King County	198,536	114,340	57.59	63.19
	Spokane County	39,993	25,561	63.91	70.12
	Remainder of State	173,782	84,068	48.38	53.03
West Virginia	Entire State	93,988	54,936	58.45	64.13
Wisconsin	Entire State	443,713	261,533	58.94	64.67
Wyoming	Entire State	35,765	12,029	33.63	36.90
Unclassified as to State		(7,993)	(824)	.....	.....
TOTAL		31,011,863	19,949,562	64.33	70.58

Court Ruling Reverses Accidental Means Decision

A lower court's judgment in favor of a Mutual Benefit H. & A. policyholder was reversed by the Washington supreme court.

The assured died of pulmonary thrombosis following a successful operation. The lower court considered that the surgeon, by failure to give the Holman test to determine whether or not a thrombus exists had committed an omission which was equivalent to an accident. The higher court found that the fault, if any, was that the operating surgeon did not know that there was a method by which the existence of a thrombus might be determined.

The supreme court stated that where there is no mishap, no unexpected or unforeseen happening in connection with

an operation, and the doctor does exactly what he intended to do and omits nothing that he intended to do, his acts, omissions, or ignorance do not constitute accidental means.

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ARROWHEAD
The Home of
Herman Melville

 "A FINE old farmhouse, a mile from any other dwelling, and dipped to the eaves in foliage — surrounded by mountains, old woods and Indian pools — this surely is the place to write." That was Herman Melville's description of Arrowhead where he wrote "Moby Dick, or the White Whale," his major claim to immortality.

Melville's own life reads like fiction. After a poverty-stricken childhood he sailed as a cabin boy on a ship bound for Liverpool

diately achieved success, and he was hailed not only as the literary discoverer of the South Seas but as the first author to present a true picture of a whaler's life.

In 1847 he married Elizabeth Shaw and in 1850 bought a farm near Pittsfield, Massachusetts, which he called Arrowhead in memory of his whaling days. Here he happily settled down to writing and enjoying himself as an amateur farmer. The house, built in 1780, is still standing and is at present privately owned.

"Moby Dick," finished in 1851 and dedicated to his close friend Nathaniel Hawthorne, was Melville's swan song. Most of the literary reviews were unfavorable and the sales were poor. He was never again to experience his early popularity and lived to see his greatest work ignored, though the passing of time has brought full recognition to this masterpiece, hailed by modern

critics as "a great prose epic that has no equal in American literature."

Thereafter, the course of Melville's fortunes was downward. He lived a life of almost complete obscurity at Arrowhead and later in New York. The irony of the final phase of his career is illustrated by the comment of an English critic who wrote on his return from America that he had vainly

sought for "the one great writer fit to stand shoulder to shoulder with Whitman on that continent." And after Melville's death an editorial in *The New York Times* commented, "There has died in this city during the current week a man who is so little

known even by name that only one newspaper carried an obituary account, and this was but three or four lines ... Herman Melville, a teller of tales of the South Seas. ... He has died an



Author of "Moby Dick"

absolutely forgotten man."

This was the epitaph of Herman Melville, acclaimed by many of today's critics as America's most original author and one of the masters of English prose.

* * *

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Melville made inscriptions on his favorite fireplace

and later cruised the Pacific for many months on a whaler. When the captain's cruelty became intolerable, he jumped ship in the Marquesas and lived among friendly cannibals who made him a god. Then he worked in Tahiti and spent a year aboard a frigate.

The novels of the sea which Melville wrote on his return to this country imme-

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